

GIBRALTAR

HOUSE OF ASSEMBLY



QUESTIONS AND ANSWERS

19TH & 21ST MAY, 1999

No. 417 to No. 540

Vol II

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QUESTIONS & ANSWERS

19th & 21st May 1999 (Vol. II)

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NO. 417 OF 1999

THE HON J J GABAY

EDUCATION - MILLENNIUM LECTURES.

What criterion did the Minister for Education use for the selection of lecturers on the theme entitled "A Historical and Philosophical Perspective of Gibraltar and its People at the Dawn of the New Millennium"?

ANSWER

THE HON THE MINISTER FOR EDUCATION, TRAINING, CULTURE AND YOUTH

I have not been involved at all in the selection of speakers for the series of Millennium Lectures which are currently taking place. This is entirely an initiative of Dr Clive Finlayson, the Director of the Gibraltar Museum, which the Government nevertheless welcome and is pleased to support as an excellent lead-up to the new Millennium involving as it does a reflection on our own identity and history as a people.

SUPPLEMENTARY TO QUESTION NO. 417 OF 1999

HON J J GABAY

Perhaps the Minister is under-estimating his influence in the selection of speakers.

HON DR B LINARES

When I say things I mean them. Implicitly the hon Member is questioning the sincerity of my answer. I have not been informed at all and I repeat it looking at him face to face in the selection of the lecturers. Please accept that.

HON J J GABAY

Let me put this another way then. That is that we are surprised, let me express my surprise at looking at the list of lecturers. It would appear that almost, well there are two GSD Ministers the rest are civil servants. The point is this, there are two Ministers there are civil servants and one exception a cleric, perhaps the only sort of detached element in this group. Now, the title for the lectures as a theme is extremely high standard. One would have thought that it would go in a crescendo from history to philosophy, the perspectives of identity and history. I wonder, how do we manage to end up in a grand finale which is obviously a political rally when the Chief Minister will be addressing the public near an election and near the Millennium on leading Gibraltar into the new Millennium. With all due respect, and I do not doubt that the Chief Minister will make a brilliant speech, but it seems to be out of character in what is the vital purpose of the theme which is really quite specific about philosophy and history and then it goes into a crescendo in what could only be a political speech about leading Gibraltar into the next election. I think that is very fair commentary Mr Speaker. The question is, without doubting the words of the Minister of Education, does he not find this strange, since he is the Chairman of the Committee?

HON DR B LINARES

The question should be addressed to Dr Clive Finlayson. I have had nothing to do with their selection of speakers. If he wants my own reaction as to the intervention of the Chief Minister, I think it is very appropriate that on the eve of the new Millennium the elected leader of the people of Gibraltar should share his thoughts with his people as to how to face the challenge of the new Millennium. I think this is very appropriate. As to my own intervention I take it that I have been invited to speak not so much as a politician but in my professional capacity, as I have been asked to do what I like to do best. That is, and as the hon Member often reminds me, that is to philosophise.

HON J J GABAY

I find it strange that the Minister of Education should feel it is all very balanced and that it should be up to the Chief Minister to deliver the final speech. Of course I agree with him. On the other hand if we can establish a balance when we are talking about identity and about our people and our future, the other 42 per cent of the electorate who voted for this side, would have had some representation. I can assure the House that we can also talk about history and philosophy.

HON CHIEF MINISTER

It reveals the hon Member's misconception. This is not a partisan matter. Whether the hon Member likes it or not I am the Chief Minister of the whole of Gibraltar including the part of it that voted for them. There is one Chief Minister and there is one Government and it is our fortune, privilege, call it what you like, to happen to be the Government of the day at the turn of the Millennium. That has natural consequences, he obviously thinks it is good fortune. We actually see it as quite a large responsibility. The hon Member reduces everything to crude partisan even-handedness and he misses the whole spirit of the Millennium in doing so. The fact of the matter is that the person that speaks for the United Kingdom at the Millennium is the Prime Minister of the day who happens to be from one party or from another. That is the simple truth of it. It would be most unusual for people organising that sort of series of talks not to ask the Chief Minister of the day to participate in the new Millennium. We have now come to understand that the fact that the hon Member finds something strange does not mean that it is strange.

HON J J GABAY

I disagree with everything of course. The innocence of the approach is in itself suspect. But apart from that more representation and a cross-section would have given a cohesion to this set of lectures which it is bound to lack. Surely that is a reasonable request without pontificating now about being Chief Minister and the people of Gibraltar and that he represents us all, we know that.

HON CHIEF MINISTER

You really will have to raise that with the organisers of the event. It is clear from what the hon Member has just said that he does not accept the word of my Colleague. When I am invited as Chief Minister to a speaking engagement, I do not say well hang on guys have you invited Mr Gabay or one of his Colleagues, I do not do that. Obviously the organisers of this event did not consider it appropriate to invite the hon

Member to speak. I do not mind whether they do or whether they do not but whether they do or whether they do not is not a matter for us. It is not an event that the Government have organised, it is an event in which we have been invited to participate and we have done. I do not think that there is a Government for 52 per cent of the electorate and an Opposition for 43 per cent of the electorate. There is a Government for 100 per cent of the electorate and an Opposition hopefully also for 100 per cent of the electorate. The hon Member I think would do well not to forget that.

NO. 418 OF 1999THE HON J J GABAY**EDUCATION - MILLENNIUM COMMITTEE.**

Will Government explain the procedure employed in attempting to make the Millennium Committee representative of as wide a cross-section of the community as possible?

ANSWERTHE HON THE MINISTER FOR EDUCATION, TRAINING, CULTURE AND YOUTH

In appointing the Millennium Committee the Government did not seek formal "representation" of different bodies and organisations. The aim was to select individual persons who by their experience and their track record are known to reflect (rather than represent) different aspects of community life, such as culture, education, sport, youth, religion, disability care, heritage interests, environmental concerns etcetera.

SUPPLEMENTARY TO QUESTION NO. 418 OF 1999

HON J J GABAY

So could the Minister say how they were chosen and by whom in this case?

HON DR B LINARES

In the last analysis as Minister given the task of planning for the Millennium I had to exercise my own judgement in consultation with the Government as a whole in choosing the most appropriate persons. I feel that is my prerogative and responsibility as Minister with this area of responsibility. Perhaps the hon Member would have liked to make the selection himself but fortunately or unfortunately, one can look at it in different ways, he does not hold that responsibility.

HON J J GABAY

I assure the Minister that I would not welcome the opportunity in fact to select. It is only to comment in fact on what I was saying earlier on that it does not seem to reflect a cross-section of the community. Surely it is not an unreasonable point to make that within the Opposition there might have been one person or even half a person to participate either in one or the other. There seems to be a policy of exclusion in these Committees and arrangements.

HON CHIEF MINISTER

This is the Government's Millennium Committee. This is a Committee appointed by the Government to advise the Government on what the Government should do in order for this Community to celebrate the Millennium. I think that to expect the Government to invite the Opposition onto a Committee to advise the Government is odd. There are twenty odd people on the Committee, we have not asked them what their politics is. There might be, I am sure there are people, in fact to my certain knowledge there are people in that Committee who are well-known GSLP sympathisers. We did not ask them, "what party do you support or what party do you not support". Cross-section of the community is a cross-section of the community out there in the street. It is not a

cross-section of the people in this room who are necessarily divided into a Government and the Opposition. Happily the rest of the community does not see life through the polarised partisan eyes that appears to obsess the hon Member in almost every matter he addresses.

HON J J GABAY

I think the Chief Minister should talk more to the public and then he would realise that what he has just said does not make sense at all. I still come back to the same point that in committees where we are establishing something for the general welfare, entertainment of the community, that there would be absolutely nothing wrong in representatives of the Opposition taking part, whatever the Chief Minister may say. The only definition he has given in the talk he has given on the subject is that he believes in a certain democratic despotism - we have been elected so we do and therefore it is untoward to invite the Opposition to anything. That is the reality.

HON CHIEF MINISTER

The reality is that the Government are elected like in most democracies that I am familiar with, governments are elected to govern and oppositions are not. Frankly, for the hon Member, for anybody sitting on that side of the bench to talk to us about democratic despotism when they introduced the concept into Gibraltar, deployed it for eight years, they would never have had a Millennium Committee. They would have simply sat in some smoke-filled room and decided in a quite arbitrary basis, without consulting anybody at all, as was their style and as everybody in this community knows is their style. The hon Member may now want to stand up from time to time and pontificate about democratic values and democratic tradition but he is not going to hoodwink anybody in this community, nobody that lived in this community between 1988 and 1996 will think that what the hon Member is saying is anything other than simple bare-faced hypocrisy. What he is describing is the attitude of his own party when it was in government and everyone will recognise that he is not describing the attitude of this party in government. I am confident of that and I am very happy not to resolve this matter between ourselves because the jury is out there in the streets and they know who is right in this matter and who is not right in this matter.

HON J J GABAY

It is true indeed that the people will eventually decide and I hope that when they come to decide and when the moment comes for them to decide they will also bear in mind that accusing failures of the past is no replacement for doing the same thing later on, if that is the case. This constant reference to history has become quite unfashionable at the moment. That is the point, there is no question.

NO. 419 OF 1999

THE HON J J GABAY

EDUCATION - DRAMA FESTIVAL.

Will Government comment on the decline of the Drama Festival?

ANSWER

THE HON THE MINISTER FOR EDUCATION, TRAINING, CULTURE AND YOUTH

The decline of the Drama Festival does not imply a decline in dramatic arts in Gibraltar - there are numerous groups in Gibraltar very actively engaged and demonstrating a great degree of talent and enthusiasm especially among the young. The lack of response to the Drama Festival, as such, which has been observed over a number of years as the hon Member knows well, seems to be related to the particular format and nature of the festival itself which appears to be outdated and does not attract the interest or meet the aspirations of local groups.

SUPPLEMENTARY TO QUESTION NO. 419 OF 1999

HON J C PEREZ

If it is true that there is active participation from drama groups then I welcome that, but the reflection that there might not be such enthusiasm as the Minister has stated is that we have got the Spring Festival here and one has not seen a local drama group with a production putting it up for the Spring Festival which would have been the normal case before. We are referring directly to the Drama Festival but I am asking a supplementary on the Ministers reply.

HON DR B LINARES

Is the hon Member asking me for other instances of drama groups performing outside the format of the Drama Festival?

HON J C PEREZ

What I am saying is that I am pleased if it is true that there is still a lot of activity and enthusiasm in local drama. But this is not reflected in that there is no, for example, in the Spring Festival that we have got now, there is no drama group presenting any play which would have been normal in other circumstances in other years.

HON DR B LINARES

Dramatic arts has a number of facets and different expressions and there has been a recital of poetry which is in the form of dramatic expression by Group 2000, which is led by a prominent and well-known producer of the theatre Mr Cecil Gomez. One of the positive results of the cancellation of this year's Drama Festival has been the formation of the Drama Association, which again is a reflection of the concern and the interest of quite a number of groups who have come together to share their ideas and expectations and they are now carrying out a process of consultation among all groups at grass roots and I am expecting from them a report proposing a reviewed format for the Drama Festival in the future. That is a positive outcome.

ORAL

NO. 420 OF 1999

THE HON J J GABAY

JOHN MACKINTOSH HALL.

Are Government still considering the installation of a lift at John Mackintosh Hall for the benefit of wheelchair users?

ANSWER

THE HON THE MINISTER FOR EDUCATION, TRAINING, CULTURE AND YOUTH

Answered together with Question No. 421 of 1999.

NO. 421 OF 1999

THE HON J J GABAY

JOHN MACKINTOSH HALL.

Are Government any nearer to providing a new fire curtain at the John Mackintosh Hall?

ANSWER

THE HON THE MINISTER FOR EDUCATION, TRAINING, CULTURE AND YOUTH

The new fire curtain in the John Mackintosh Hall Theatre was installed at a cost of £15,213 in June 1998.

The Government are no longer either considering the installation of a lift in the John Mackintosh Hall for wheelchair users and, indeed, others such as elderly persons, pram pushers etcetera. We are now actually at the doing stage. We have now ordered the lift which is expected to be delivered by the end of June. Meanwhile, the works for the housing of the lift will commence on the 24th of this month and they are expected to be completed by the end of June to coincide with the arrival of the lift.

SUPPLEMENTARY TO QUESTION NOS. 420 AND 421 OF 1999

HON J J GABAY

I am pleased to hear Mr Speaker the answer to one of the questions. With regard to the fire curtain, if I have got it wrong I apologise but has there been any problems with it at all that the Minister is aware of?

HON DR B LINARES

No there have been no fires, no there have been no problems.

HON J L BALDACHINO

Will the lift that is going to be installed be for the general public use or just for people with wheelchairs and people with prams, apart from the remarks of the Chief Minister.

HON DR B LINARES

I think the intention is essentially for the benefit of those in need, wheelchair users, elderly persons as well. Of course there may be situations in which it may be exceptionally that somebody else might use it, I do not know, it is up to the Management really how they manage that sort of situation.

NO. 422 OF 1999

THE HON A J ISOLA

THEATRE ROYAL.

What plans do Government have for the Theatre Royal?

ANSWER

THE HON THE MINISTER FOR EDUCATION, TRAINING, CULTURE AND YOUTH

The Government plan to obtain a lease from the present owners of the Theatre Royal and to restore and refurbish the Theatre Royal in order to open the theatre during the year 2000. A comprehensive structural survey of the theatre has already been carried out (as I have previously informed the House) and at this present stage we are seeking expert advice on the operational and commercial use of the theatre once it is re-opened.

SUPPLEMENTARY TO QUESTION NO. 422 OF 1999

HON J J BOSSANO

The position is what that the Government are renting the property from the present leaseholders. I take it that the property is not freehold, is it?

HON CHIEF MINISTER

I believe it is freehold and the intention would be, if the Government proceed in this matter, to take a long lease.

NO. 423 OF 1999

THE HON J C PEREZ

ELECTRICITY CHARGES.

Of the total amount collected in electricity charges in the Financial Year 1997/1998, how much was collected by Lyonnaise des Eaux and how much was collected by Land Property Services?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

The total amount collected in electricity charges in the Financial Year 1997/1998 was seven million, eight hundred and eighteen thousand, three hundred and fifty-four pounds and seventy-four pence (£7,818,354.74).

Of this total figure seven million, seven hundred and thirty-six thousand, six hundred and forty-two pounds and forty-four pence (£7,736,642.44) was collected by Lyonnaise des Eaux and eighty-one thousand, seven hundred and twelve pounds and thirty pence (£81,712.30) was collected by Land Property Services.

ORAL

NO. 424 OF 1999

THE HON J C PEREZ

ELECTRICITY CHARGES.

Can Government state the value of electricity billing for the Financial Year ending 31st March 1999?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

Answered together with Question No. 425 of 1999.

NO. 425 OF 1999

THE HON J C PEREZ

ELECTRICITY CHARGES.

Can Government state what is the total amount of electricity units consumed in the Financial Year ending 31st March 1999?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

The total value of all electricity bills issued during the Financial Year ending 31st March 1999 amounted to nine million, three hundred and six thousand, five hundred and four pounds and fifteen pence (£9,306,504.15).

The total amount of all electricity units billed during the Financial Year ending 31st March 1999 amounted to ninety-nine million, five hundred and forty-seven thousand, two hundred and forty-eight units (99,547,248).

SUPPLEMENTARY TO QUESTION NOS. 424 AND 425 OF 1999

HON J C PEREZ

So the number of units is down from previous years I take it?

HON LT COL E BRITTO

No, there is an increase in the number of units billed.

HON J C PEREZ

Well, according to what the Minister said in the Budget last year, he said that in 1997/1998 it had been 109.4 million and 1998/1999 had 112.5 million and the figure he has given today is 99.5 million which is short of about 13 million units as compared to the figure he gave to this House a year ago.

HON LT COL E BRITTO

On the figures I have before me, in the previous financial year the amount is two million, nine hundred and twenty-six thousand, eight hundred and seventy units. This is equivalent to an increase of 3.03 per cent over the previous year.

HON J C PEREZ

I refer the Minister to page 75 of Hansard of last year's Budget where he will see that the figures that he gave do not conform with what he is saying today.

HON LT COL E BRITTO

I will refer to the Budget and revert to the hon Member.

HON J J BOSSANO

Can the Minister say whether the figure that he has given for the value of billing indicates that more electricity has been sold, considering that the answer he has given on this occasion is in conflict with the answer of a year ago.

HON LT COL E BRITTO

I have not yet accepted that the answer I have given is contrary to what I gave on a previous occasion. But I will confirm to the hon Member that the figures I have given today means that there is an increase in billing compared to the previous financial year equivalent to 3.02 per cent.

HON J J BOSSANO

So it would suggest then that the figure shown in Hansard for last year is incorrect and that the one given this time is the right one.

HON LT COL E BRITTO

Well I would need to check that we are talking about the same financial years. I can not do that without Hansard in front of me.

Would the hon Member repeat the page of Hansard.

HON J C PEREZ

Yes, page 78 of Volume 1 of 24th April 1998 - Budget.

HON LT COL E BRITTO

I thank the hon Member.

HON LT COL E BRITTO

I am advised that the statement that I made in Hansard was the quantity of total units generated, I am told that the figures that I gave was 'generated' and the figures I have given today are the figures for 'consumption' in answer to the question asked by the hon Member.

This is a note that has been passed to me by officials and I would need to check for myself.

HON J C PEREZ

Fine but in putting my question I checked what he had said last year and I quote "I report that the consumption of electricity continues to grow". Consumption means units consumed and that last year this amounted to one hundred and twelve point five million units as compared to one hundred and nine point four million units. So the Minister certainly might have made a mistake last year and instead of 'generated' said 'consumed'.

HON LT COL E BRITTO

That would appear to be the case.

If what I am being told now is correct the figures I gave were for total units generated.

HON J C PEREZ

I presume that the difference between 'consumed' and 'generated' is lost and that the station actually generates more than it consumes for obvious reasons that it has to generate a certain amount to meet the consumption levels over that figure, no?

HON LT COL E BRITTO

Well yes and no. I am not sure I understand the point exactly but the difference is due (1) to the amount of units used in the station itself (which are obviously not billed) and secondly, because of system losses throughout the system and throughout the generation infrastructure.

HON J C PEREZ

Sorry, could the hon Member perhaps, because I missed it, it might be in the written answer, give me the number of units consumed for the year previous to the 99.5 million.

HON LT COL E BRITTO

Total number consumed not billed?

HON J C PEREZ

Yes.

HON LT COL E BRITTO

The total number of electricity units billed in the previous financial year, that is in the year prior to the year ending 31st March 1999, amounted to ninety-six million, six hundred and twenty thousand, three hundred and seventy-eight units.

HON J C PEREZ

That is the figure for units consumed I take it, which compares to the figure of ninety-nine point five million for units consumed which he has given for this financial year.

HON LT COL E BRITTO

The confusion arises out of the word consumed. I am giving the figure for units billed not for units consumed.

HON J C PEREZ

My question asked for units consumed and he has given the figure of ninety-nine point five and when I queried this with the word consumed which he used last year, the Minister has told me that the ninety-nine point five is consumed and that last year should have been generated. So the answer I have got from the department clearly is to units consumed not units generated.

HON LT COL E BRITTO

There is no record of units consumed. There is only a record of units billed.

HON J J BOSSANO

The Minister must accept that the question is phrased in a language that he used. I mean, we have asked consumed because he told us consumed. If there is not, well, how are we to know that there are not any records if he volunteers the information.

Will the Minister accept that last year without a question being put, he told the House the number of units consumed has gone up by 3 per cent. We therefore ask him how much is the units consumed this year. We used the word consumed because that is what it was. We are not sure any more whether the figure last year was billed, generated or consumed. Obviously it was one of the three.

HON LT COL E BRITTO

I may have been either ill-advised or ill-informed or used the wrong word in using consumed last year. But in very loose terms consumed and billed in terms of units is the same thing, in very loose terms. But in strict accuracy of English grammar, there is no record of units consumed there is only a record of units billed. So in phrasing my answer this year, although the question had been for units consumed (and I am not able to give a figure for units consumed because there is no official record of them) the answer is phrased units billed. I am not aware what my thinking was last year when I said consumed, but certainly that was my thinking in drafting this answer.

MR SPEAKER

We have consumed enough time - next question.

NO. 426 OF 1999

THE HON MISS M I MONTEGRIFFO

SPORTS DEVELOPMENT UNIT.

Can Government state what work programme has been followed by the Sports Development Unit since it was established?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

The Sports Development Unit has been very busy since it was established in December 1998.

In order to assess the main areas requiring attention, the Sports Development Officer has carried out a Sports audit, the final report of which will be available shortly. This included a tour of sporting facilities and meetings with myself, the Minister for Education, the Sports Advisory Council, representatives of the Education Department and all schools, the Youth Service, the Royal Gibraltar Police, the Ministry of Defence and the Centres for people with special needs.

A series of extensive questionnaires have also been circulated and replies thereto are now being collated. This will also form part of the Sport Audit Report and of a Sports Data Base which is in the process of being set up. The Unit also intends to publish a Gibraltar Sports Directory.

A public awareness campaign including press releases, interviews in the media etcetera is an on-going process of the Unit.

The main aims and objectives of the Unit were officially launched in March during a Sports Development Seminar and Action Planning weekend. This Seminar was very well attended and included presentations by sports development experts from England, Northern Ireland and Australia. The emphasis of the Unit is to empower and support all those persons and entities involved with sport in their efforts to achieve their goals to develop and improve standards and/or participation.

A programme of training courses, identified as a priority, has already started.

In February the Sports Development Officer and two representatives of the Education Department attended a course in the United Kingdom on the Top Play and Top Sports Programmes.

In April a training weekend was organised in conjunction with the Island Games Association. This included National Coaching Foundation Accredited Courses on Team Managers/Coaches and Athletes leadership and Fitness Awareness.

A series of flexibility workshops have been organised for the Island Games during May and June.

A Drugs Awareness Seminar, with priority participation for those involved in the 1999 Island Games is scheduled for 12 June. This will be delivered by the head of Ethics and Drugs Awareness of the UK Sports Council.

The Unit is also involved in assisting the Royal Gibraltar Police in the organisation of a Drugs Awareness Sports Fun Day on Saturday 5 June to launch the Royal Gibraltar Police Operation Triangle.

On 21 May an introductory session for the Central Council for Physical Recreation Junior Sports Leadership Award will be delivered to 14 to 16 year old students from Bayside and Westside Schools. On the same day a workshop on Adapted Games for people with disabilities will be held.

Starting on 22 May, running over six weeks, the Central Council for Physical Recreation Sports Leadership Award Course is being run.

These CCPR courses will be led by an expert from UK and the Sports Development Officer. Participation of local deliverers is being considered in order to start aiming for self-sufficiency in certain areas.

The Unit is expecting to launch a Sports Information Library in June. A number of reference books, videos and magazines etcetera have been acquired for this purpose. This is to be an on-going project.

On 24 and 25 June a two day National Coaching Foundation Junior Sports Induction Seminar delivered by a UK expert will be held.

This will lead to NCF Certification in:

1. Coaching Methods and Communication
2. Coaching Children and Young People
3. Good Practice and Child Protection

A Summer Sports Programme for young people, over the school holidays in the mornings, will be run by the Unit in partnership with local sports associations.

On an on-going basis, the Unit provides advice and support to all the governing bodies of sport with any coaching or training initiatives. As an example the Unit is at present assisting with the development of Petanque.

The Sports Development Officer is also a member of the Gibraltar Sports Advisory Council and three of its sub-committees.

Furthermore, the Unit is in the process of programming the following initiatives which have already been agreed in principle –

Late September:-

National Coaching Foundation Seminar

Offering certification in:

- 1) Fuelling Performer
- 2) Fitness and Training
- 3) Motivating and Mental Toughness

From September 1999 to May 2000:-

Pilot project to introduce Top Play and Top Sport to primary and middle schools.

Late October:-

The Central Council for Physical Recreation Junior Sports Leadership Award Course.

From January to March 2000:-

Pilot project Champion Coaching programme.

As can clearly be seen, the Sports Development Unit has embarked on the establishment of the foundation of its empowerment and supportive role. I am very pleased to state that the feedback and public participation levels to date are most encouraging.

SUPPLEMENTARY TO QUESTION NO. 426 OF 1999

HON MISS M I MONTEGRIFFO

Is it Government's intention to employ more persons in the Unit.

HON LT COL E BRITTO

The Government have no plans to expand the human resources of the Sports Development Unit at present.

HON DR B LINARES

I would like to report the great satisfaction there is amongst head teachers and particularly PE teachers with the work of the Sports Development Unit, particularly Michelle Smallwood the Sports Development Officer. Michelle is at heart an educator and it is felt that she really understands the aim of the teachers in their PE curriculum. Whereas in the past, it has to be said, teachers in trying to introduce a structured and educational curriculum in the field of sport, have often been frustrated by the unstructured and haphazard set up outside the school. They now feel that efforts are understood and well supported by the rational and systematic approach now launched by the Sports Development Unit.

HON J J BOSSANO

Is that part of the answer to the question.

HON DR B LINARES

I am not sure of that but certainly that is what the teachers feel.

HON J J BOSSANO

Is that how the people who live in Gowland's Ramp feel or are we all free to pop in to the debate and say how we each feel. I mean, if it is a statement of a fact we normally get a copy of the statement and we are allowed to ask questions on it.

MR SPEAKER

You can ask him questions to clarify that.

HON DR B LINARES

I do apologise if I was out of line but it had to be said, I got carried away.

NO. 427 OF 1999

THE HON MISS M I MONTEGRIFFO

SPORTING SITES.

Is it Government policy that when sporting sites are handed over to them by the MOD, they will in turn offer these to local sporting entities for them to manage and run?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

No Sir. When sporting sites are handed over by the Ministry of Defence, Government decide the best possible use for the area and subsequently consider the options available. Each area is considered on its own individual merits.

It is Government policy to increase the availability of sites in Gibraltar available for sports and leisure activities, whether these are run by Government, Ministry of Defence, governing bodies of sport or other private entities or clubs.

SUPPLEMENTARY TO QUESTION NO. 427 OF 1999

HON MISS M I MONTEGRIFFO

I would like to refer specifically to the pitch at Europa Point. Are Government aware that this site will be handed over to them shortly or in the long term?

HON LT COL E BRITTO

The Government are at present in discussions and have been in discussions with the Ministry of Defence with regard to the sports pitch at Europa Point. There is a possibility that they be handed over in the shorter rather than the longer term but I can not at this stage either confirm that that will happen or even attempt to give a date on which it will happen because we are still separated by a number of issues that have not been agreed.

HON MISS M I MONTEGRIFFO

Are the Government aware there is a sporting association who is interested in running and managing that pitch?

HON LT COL E BRITTO

I have been on more than one occasion in contact with the Cricket Association which is the sports association I presume the hon Member is referring to. So yes, of course I am aware and indeed I would go further and say that if Government decided to take both pitches over the Cricket Association would be at the top of the list of priorities when it comes to allocation.

NO. 428 OF 1999

THE HON MISS M I MONTEGRIFFO

FEES PAID BY SPORTING ENTITIES.

Can Government state what fees they are charging sporting entities for those premises that were provided by the GSLP Administration?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

The charges being paid by sporting entities who were provided with premises by the GSLP Administration are those specified in the licence or lease documents agreed at the time by the GSLP Administration.

SUPPLEMENTARY TO QUESTION NO. 428 OF 1999

HON MISS M I MONTEGRIFFO

The Minister when I asked him this question the last time did say that they had standardised licences and that the fees would be different to the ones that had been put in place and there would be different levels comparable to the size of the premises. So there is a difference is there not?

HON LT COL E BRITTO

What the hon Member has said is right except for the last sentence. Yes, there is a new system. Yes it is standardised. Yes there are new leases. Yes there are new conditions. Yes the levels of rent are in relation to the sizes of the premises but the difference is that all this applies to premises that have been allocated by the present administration. There has been no change to what was agreed by the previous administration.

HON MISS M I MONTEGRIFFO

In other words, Mr Speaker, I think that I have the same problem as my hon Colleague. I think that the Minister did say the last time that I asked him that there were going to be changes, the fees were going to be different for the existing ones. Because I am talking about those that were left by us, but I will check.

HON LT COL E BRITTO

I have just said that there have been no changes. I may have said in the past that there could be changes and that is still possible but at the moment there have been no changes.

NO. 429 OF 1999

THE HON MISS M I MONTEGRIFFO

DIPUTACION DE CADIZ.

Are Government involved in discussions with the Diputacion de Cadiz with the intention of making a joint submission for funds to the European Union on matters involving sport?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

No Sir.

SUPPLEMENTARY TO QUESTION NO. 429 OF 1999

HON MISS M I MONTEGRIFFO

In the event that the Government were going to enter discussions would they entertain the possibility of making the joint submission for funds to the EU?

HON CHIEF MINISTER

Mr Speaker, the hon Member's question is entirely hypothetical and therefore I suspect not in keeping with Standing Orders.

The position of the Government nevertheless is that the question of sports and joint submission for EU funds has not arisen. If they did arise we would certainly look at the proposals on their merits and provided that the joint funding application could be made on terms which clearly reflected the fact that it was a joint application from two parts of separate Member States of the European Community, we would have no objection to doing so. That would be the only political issue as far as the Government are concerned.

HON J C PEREZ

Can the Minister say whether he feels that there is an expectation on the part of the Diputacion de Cadiz that this should be the case given that several media, both in Gibraltar and in the Campo de Gibraltar, have actually been saying that this is the expectation of the Diputacion de Cadiz. Is the Minister aware of this?

HON CHIEF MINISTER

I cannot speak for what might be the expectation of the Diputacion de Cadiz. Although I can say that it would be most peculiar if they had an expectation which they had omitted to take the opportunity to raise with me whilst I was their guest there precisely for such purposes very recently. If it is their expectation it is not one which they hold so highly or with such a degree of enthusiasm that they thought it appropriate to bring it to my attention on that occasion. I am aware that in the run up to my visit to Cadiz there was a litany of things that we were alleged to be about to discuss. I do not know where that list came from. Many of the items on that list were not raised with me and I do not know whether it was just speculation on their part or

speculation on the part of the press. But I can certainly tell the hon Member that it has just not been raised with us.

HON DR J GARCIA

Can the Government say who is on the technical committee on sports which is reportedly being set up.

HON CHIEF MINISTER

If the hon Member is talking about technical committees, joint technical committees between the Government of Gibraltar and the Diputacion de Cadiz, the answer is that no such technical committees have yet been set up on any subject. There are committees working at a municipal level with the municipalities on sport to deal with such things as the Straits Games and things like that. But that is all.

NO. 430 OF 1999

THE HON DR J J GARCIA

RENTAL OF POST OFFICE BOXES.

Why have the Government increased the cost of renting a Post Office Box?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

It is Government policy to seek to identify adequate opportunities to maximise revenue for the Government. Rental of Post Office Boxes had not been increased since 1st April 1989. Furthermore, the level of existing rents prior to 1st April 1999 was very low in comparison to similar boxes being provided in the private sector. It is also Government policy not to compete unfairly with the private sector.

Government therefore decided to bring the increases in the rental of Post Office Boxes into effect as from 1st April this year.

SUPPLEMENTARY TO QUESTION NO. 430 OF 1999

HON DR J GARCIA

The Government must be aware of the discontent or the criticism which arose in certain sectors of the trading community in Gibraltar at this increase. First of all because it was a 50 per cent increase which people felt was rather exorbitant and secondly, at the way in which it was being done. No announcement was actually made. People were simply told they had to pay more without even being told that an increase had been put into effect, in the letters which I have seen.

Another reason which the Government gave at the time was that this was due to the move of the Post Office to a new location. This was actually printed in the media and attributed to a Government spokesman. So really on that particular point I was wondering what on earth the increase in the cost of the Post Box has to do with where the Post Box is located.

HON LT COL E BRITTO

The hon Member makes several points, some of which are misconstrued and others ill-founded. First of all the Government are not aware of widespread discontent. No such discontent has been made known to the Government except by the hon Member in a press release and except by the Federation of Small Businesses Committee in a letter to the Government. Those are the only representations that have been made and were answered at the time.

Furthermore, of the 941 Post Office Box holders that exist, none said in the immediate aftermath of the announcement that they no longer required the boxes but only 2 said that it was due to the increase. So no, the Government are not aware of widespread discontent. We are aware of only one letter and one press release and two people saying they had discontent. Secondly, the hon Member opposite makes great fuss and did make great fuss in the media about a 50 per cent increase. He should avoid misleading people into thinking that because it is 50 per cent it is massive. Let it be

quite clear what the increase is, so that people listening can decide for themselves how great this increase is.

There are two types of Post Office Boxes. A small one and a large one. The small Post Box went up by £10, the large Post Box went up by £20. Let us be quite clear Mr Speaker, it went up by £10 a year, not a week or a month, by £10 a year and the other one went up by £20 a year. I refuse to accept from the hon Member that increases of that level when applied to on-going business concerns can in any way be considered inadequate.

The third point is the one of the no announcement. There was an announcement made, I can not remember the exact detail but the announcement was made either through an Official Notice or through letters to consumers, I do not know the details at this stage but there was an announcement made prior to the increases coming into effect and obviously giving people the chance to give up their Post Office Boxes.

Fourthly, the question of the move of the Post Office is totally unconnected with the increase in the rents of Post Office Boxes. But I remember saying or hearing at the time that when there was a move to the new premises there would be an increase in the number of Post Office Boxes, but nothing to do with an increase in the rent that was applied.

HON DR J GARCIA

The Minister says that there were only 2 complaints received and one of them was from myself. Is he not aware that the Federation of Small Businesses, which described his action as being unjustified and called on the Government to reconsider the situation, is the largest trading organisation in Gibraltar and represents hundreds of small businesses who are affected by this measure.

HON LT COL E BRITTO

I received a letter from the Committee of the Federation of Small Businesses and no further representation from any other business.

HON DR J GARCIA

That is completely irrelevant and the Minister knows it. However, just to get back to the percentage terms, in percentage terms 50 per cent is indeed a huge increase, regardless of whether it is £10 or 10p. Secondly, if it is so low and so irrelevant and if the increase is so insignificant, then why did the Government need to do it in the first place, to increase its revenue with such an insignificant amount.

HON LT COL E BRITTO

Is the hon Member now arguing against himself saying that the increase should have been bigger?

HON DR J GARCIA

No Mr Speaker, the point which I am trying to make and the point which the Federation of Small Businesses also made in its statement is that there should have been no increase at all. Really it does not make any sense for the Government to pretend to be helping the business sector by trumpeting all sorts of schemes and sort of giving away with one hand and taking away with the other. The increase is completely unacceptable, it has been condemned by the largest trading organisation in Gibraltar and it is unfortunately the Minister is not willing to reconsider the situation.

HON LT COL E BRITTO

Mr Speaker I refuse to enter debates on the subject. It was a Government decision, it was made, I have given the reasons why and the last thing was a statement not a question.

HON J J BOSSANO

The reason is that it was not a long time as I understand it. It is not that there is any particular need for this particular money in the budget of the Post Office.

HON LT COL E BRITTO

The previous raise had been 10 years previously.

HON J J BOSSANO

Surely the Government do not apply that criteria as a norm because in fact I think the last time house rents were increased was in 1984, which is 15 years ago. That does not mean that because it is 15 years, there is a need to increase it. Is it not sensible if the Government were saying we are going to either spend that money on more boxes, an exercise has been done which provides some rationale, we might understand it. But simply to say that it is because it is a long time, that is not the normal way they go about raising things, no?

HON LT COL E BRITTO

The reference in my answer to the length of time is not an attempt to justify the increase. I think there is no need to make any attempt in justifying the increase. The length of time is in relation to the song and dance being made by his Colleague on percentages. That is why I mentioned that it was 10 years, to relate the 50 per cent to the ten years. But I think quite honestly I have nothing more to say.

HON J J BOSSANO

The answer to the original question is that there is no particular reason for the increase because that is what the question asked.

HON A J ISOLA

What is the increase in Government revenue as a result of this increase in the Post Office Box price, the global increase over a year?

HON CHIEF MINISTER

Not very much. As my hon Colleague has said the principal reason was to try and balance out a little bit more the Post Office Box cost of those who could obtain the service from the private sector and those who could not, because of insufficiency of supply, and had to pay higher fees in the private sector and my Colleague the Minister has said that. But really I am surprised that the hon Members should be so concerned with what amounts to an increase of a few pounds a year to some local businesses when they, when they were in government, increased Social Insurance contributions every year from 1988 to 1997 and they were not concerned at burdening business with hundreds and thousands of pounds a year which really did put the continued survivability of many businesses in question. Yet they make a song and dance about raising the fees by £10 a year to a few, depending on the size of the box, to some

businesses. It is really completely inconsistent. If the hon Members were as concerned as they now pretend to be with this type of issue they had eight years in which to put their concern into action and far from doing things during those eight years which helped alleviate business costs, every year they simply increased private business cost. I understand that it is a legitimate line of questioning for the hon Members to pursue. Of course they are entitled to ask the Government why the Government have seen fit to increase the Post Office Boxes but the hon Member will forgive if we, and everybody else who remembers their policies towards the private sector business when they were in office, they will forgive us all for thinking that their concern really reflects crocodile tears. Because it does not reflect, their concern now is not reflected in the policies that they pursued when they were on this side of the House.

HON LT COL E BRITTO

Can I add to the size of those crocodile tears by pointing out some little statistics that I have been keeping up my sleeve. Opposition Members opposite increased the level of Post Office Box rents in 1989. When they did the increase was not 50 per cent it was 100 per cent, they doubled the level of rents. So please gentlemen.

HON J J BOSSANO

All the more reason why they should not have raised it on this occasion.

HON CHIEF MINISTER

That is a new argument.

HON J J BOSSANO

It seems that the commitment of the Government to our righteous questions is that we are entitled to ask questions provided we then get inundated with speeches about what happened in 1988. The Government seem to forget that it is supposed to explain to the House of Assembly the reasons why it is doing the things it is doing in 1999 irrespective of what anybody did between 1999 and seven years before. The only reason that they can find is to say "well you were worse than me". Well it is irrelevant how good or how bad or indifferent we were. Because we do not spend time at the House pointing at the things they used to say in Opposition. Otherwise their crocodile tears would have us all swimming in this chamber.

HON CHIEF MINISTER

We know that this is what they want us to do. The hon Member, because his Colleague Mr Gabay is constantly making the same point, of course the hon Members are free to raise with us whatever issues they like regardless of how they dealt with it or regardless of how we are dealing with it and we are equally entitled to point out to the hon Members where we think that their own behaviour in government demonstrates their alleged concern now to be hypocrisy and to be insincere. That is as legitimate, the hon Member thinks that we are obliged to allow them now to base criticism at the Government on a basis completely inconsistent with the policies that they used to implement when they were in government. I have news for the hon Member, we are going to carry on doing so and we know that the hon Member has concluded that the only way that he can possibly make himself attractive to the electorate again is hoping that they will forget from their memories their eight years of experience. They should also be aware of the fact that we have no intention of allowing them to forget what Gibraltar was like when he was doing this job.

HON J J BOSSANO

When we go to the election campaign and not at question time. He may keep on reminding them of whatever he wants to remind them, I will remind them of the level of tobacco imports that are taking place now and I will remind them of his 'palomo' background and that is for the election. But what we are doing in this House today is putting a question saying why have the Government increased the cost of renting a Post Office Box. And the House exists and we have Question Time so that we can put that kind of question without being accused of being a hypocrite. Hypocrite in this House in our judgement, certainly in my judgement, is the Chief Minister who is totally dishonest and believes in nothing except political gutter politics which he introduced here in 1991 and he continues and he has brought lack of dignity to the House and to the office he now holds.

HON CHIEF MINISTER

I am not going to stoop to the level of gutter politics. The hon Gentleman when he is defeated in argument has resort to personal abuse. He has done this all his life. It is the only language that he understands. Look I will say this to the hon Member of the House, I will pit my level of integrity in front of the jury, the people of Gibraltar, whenever he likes. Let me remind the hon Member that the only member of this House which since 1969 since the House was established can be demonstrated by the record of Hansard to have misled this House, I will go further, to have not told this House the truth, was the Leader of the Opposition when he told this House that no member of the GSLP Executive had had anything to do with the problems at Kvaerner, subsequently shown to have been a lie by the tapes when they were published. So let him not impugn anybody's integrity because the only person's integrity who can be demonstrated to be suspect is his.

MR SPEAKER

Wait a minute, you have one question and one answer and that is the end of this fight.

HON J J BOSSANO

I will take the matter up with the Chief Minister anytime when we are not constrained by this House and by the rules of this House. But let me say that what we are talking about is asking the Government to explain to the House what is the rationale of renting a Post Office Box. The Chief Minister insults Opposition Members by calling us hypocrites and then he says that we do it. I challenge him to show one occasion when an insult has been made in this House that has not been initiated by him. And if he cares to talk about integrity, I question the integrity of a Government that go around listening to tapes of conversations and making use of that which there is no record in history in any civilised country in Europe. That is the kind of person he is.

HON CHIEF MINISTER

Two points and very briefly. First of all, I have insulted nobody. The first and only person to have raised the question of insults here has been him. He may be wanting to persuade people to forget what the situation was as long ago as 1996 which is three years ago, but surely he does not expect people to forget what they have heard in the last four minutes. The person who first introduced the element of personal insults here was him. What I said was that just as they were free to question us, we were equally free to remind them what their position was when they were in government on the very same issue. Now he may think that that represents an insult, it can only be on the basis that if he feels sensitive about that he would rather not hear it. But the fact that he would rather not hear it does not make it an insult.

As to his right to ask questions, Mr Speaker, he has had the answer to this question. Of course this question was about Post Office Boxes, the Minister for Government Services has answered the questions repeatedly and we started discussing issues which they have raised on their sixth supplementary. So I do not think that it is particularly fair for the hon Member to suggest that their right to ask questions has been curtailed. They have asked the question, they have repeated the same question in supplementary four times, they have had the answers from the Government and it is only when they started trying to suggest that there was no justification whatsoever for the raise of fees that the Government have pointed out to them that they used to raise costs to businesses as well by much more and that they have been reminded that they raised Post Office Box fees as well. So what has not been answered. What part of the hon Member's question has not been answered?

MR SPEAKER

Next question.

NO. 431 OF 1999

THE HON J J GABAY

KING'S BASTION - OLD GENERATING STATION.

Will the Government confirm reports that it has now decided not to transform the old Generating Station at King's Bastion into a leisure centre and that the building is to be demolished?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

It is not clear what the hon Member means by the old Generating Station at King's Bastion. The old Generating Station operated in the post war structure visible from Queensway and inside the historical parts of the King's Bastion, operated from two locations. It was never the Government's intention to establish a leisure centre in the post war structure. The leisure centre is intended to be located in the historical parts and those plans remain. Government had planned to build a multi purpose sports hall in the post war structure, but that will not now proceed in that location. That structure will now shortly be demolished.

SUPPLEMENTARY TO QUESTION NO. 431 OF 1999

HON J J GABAY

The explanation given was quite unnecessary and obviously I think that the Minister knew exactly what I meant. I have raised in this House repeatedly and questioned repeatedly the firm decision of this Government to proceed with retaining that monstrosity. Needless to say we are delighted that the monstrosity is to be demolished. But let me remind the Chief Minister that in answer to my regular interventions in this House that the Government would be committing a serious blunder in retaining the building, he was quite adamant. Not only quite adamant but quite dogmatic adding this particular phrase "I have to say that one could become a schizophrenic if one took the advice of the hon Member". Well Mr Speaker, in the light of this change of mind may I venture to enquire, with great respect of course and solicitude and obviously a pinch of salt as well, about the current state of the Chief Minister's mental condition.

HON LT COL E BRITTO

I will not be drawn into anything more than a factual answer to what was the question at the beginning of that statement and there is, with the greatest respect, clearly some confusion in the hon Member's mind in the way the question is drafted, because he connects the Generating Station to which he has referred in the past and to which I expected, and that is why the answer is drafted that way, expected to mean the structure next to the Naval Grounds right, but he connects that with the leisure centre. Now there has never been any plans by the Government to put a leisure centre inside that monstrosity as he called it. So therefore the explanation was needed because the leisure centre was planned and is planned inside the Bastion where there is also a generating station or part of the generating station. Hence the attempt to clarify positively any doubts that there might have been in the hon Member's mind.

HON J J GABAY

Would the Minister not agree by the very way that he has answered the question that he knew exactly what the thrust of the question was and the building concerned. Is that not a fair question to ask?

HON CHIEF MINISTER

No, with the greatest of respect to the hon Member, it is not.

If the hon Member prefers the Government to use ambiguous and ill-conceived and ill-constructed questions as an excuse to duck and dive and not provide information, as we could do, then attitudes like the one that he is demonstrating now, I have to tell him, encourage the Government to do precisely that. Instead of doing that, what the Government have chosen to do is to provide the hon Member with much more information than his question asked for because it was not exactly clear, and I will explain to the hon Member again why, that the hon Member had fully understood what was intended by Government in the first place.

The hon Member asked "will the Government confirm reports that it has now decided not to transform the old Generating Station at King's Bastion into a leisure centre and that the building is to be demolished", well since the hon Member must know that it would not occur to us to demolish the original King's Bastion, he when talking about demolition must have been talking about the post war part of the King's Bastion. The Government had never intended to have a leisure centre in that. So the Government could quite easily have answered his question by saying it was never the Government's intention to have a leisure centre in that part of the King's Bastion which it once considered demolishing. Instead of adopting that unhelpful attitude to the hon Member we have pointed out to the hon Member the difference between the new and the old King's Bastion, we have explained to the hon Member which project we were going to put in the old Bastion and which project we are going to put in the post war Generating Station, we have explained to the hon Member that the one that we were going to put into the old Bastion, the leisure centre, remains our plans and that the one that we were planning for the new Generating Station namely the sports hall, is now not going to proceed and they are going to demolish it instead. I would have thought that the hon Member should be grateful for the Government's open and helpful attitude to this question and not seek to criticise the Minister for doing precisely that.

In turning to the Chief Minister's state of mind, which I know is a matter of great concern to him, it is a matter of consolation to me when only the Opposition in Gibraltar worry about my state of mental health. Happily for me no one else has ever suggested that I am a schizophrenic but still I will tell the hon Member what the Chief Minister's state of mind now is on this issue.

Pursuant to a process, which of course is anathema to them judging by their track record, the Government consulted, conducted a thorough public consultation process about whether the post war building, (the monstrosity, and we can both agree that that is a good name for it) whether the monstrosity should be developed or whether it should be saved as a multi purpose sports hall. We had a public consultation, he knows that we invited public comment, there were questionnaires and that information came back to the Government and actually the majority of people were in favour of it not being demolished but converted into a sports hall. So, in response to that result of that public consultation process, the Government decided that it would not demolish the hall, it would spend quite a lot of money not just kitting it out as a sports hall but cladding the building in order to make it less of a monstrosity. Subsequently to that but recently, the Government have decided to expand the sporting facilities adjacent to the Victoria Stadium. In other words on the area loosely

called Bayside between the Victoria Stadium and the sea front. In connection with that much more ambitious project the Government have decided that it would reconsider whether the sports hall should continue to be located at the monstrosity or whether it should now, given the new more ambitious plans, be relocated in the new sports city complex. Government decided on the latter. Instead of finding some other use for the monstrosity, we have decided quite recently to demolish it. I think that the hon Member rather than accusing me of being a schizophrenic might rather prefer to congratulate the Government for keeping an open mind, for consulting and for finding a solution to the problem which satisfies even the Opposition Member.

HON J J GABAY

I must congratulate the Chief Minister on being a brilliant advocate and I pay him the same compliment now. However, going round in circles with his legalistic talk does not alter the fact. He had decided and his own words were "the Government are proceeding to convert the non historical part of old King's Bastion Generating Station on Queensway into a multi purpose sports hall". No matter what we said he was adamant. So, and as to congratulating the Government I have indeed congratulated the Government but I cannot overlook the contradiction and the U-turn. Particularly, and I said it with a pinch of salt, this statement that I quoted by the Chief Minister himself that I have to say that one could become a schizophrenic in want of the advice of the hon Member, where since he has changed his mind the logical corollary is what is the condition of his mind. That is said with an element of humour which he is quite incapable of understanding.

HON CHIEF MINISTER

I hope I have tried to inject an element of good humour into my response. But look Mr Speaker the hon Members appear to equate changing minds with U-turns and weakness and bad government. I actually think that a government that is capable of changing its mind is a good government and a government that dogmatically refuses to depart from the position that it first takes is a bad government. What we have said, at the time the hon Member was asking me to change the Government's policy in the face of the results of a public consultation, in other words, the hon Member was saying at the time of the Hansard that he is now reading that the Government should reject the result of a public consultation process in favour of his own personal opinion. The hon Member I am sure will wish to forgive us for preferring to follow the results of a public consultation process than his own. What we have now done is found ourselves in a position to change our minds about the possibility of demolishing the monstrosity in the light of changed circumstances, (which I have explained to him and he either has not heard them or he has found them irrelevant to what he wanted to say when it was his turn next to get on his feet).

The explanation that I have given him is that in the changed circumstances of the Government's policy to expand the sports facilities in Bayside, it was decided that Bayside was a better location for the, and therefore we said we can do both, we can do the sports hall and demolish the monstrosity. The hon Member may wish to think that that is schizophrenia, U-turns or whatever he likes, but really I think it is prudent, constructive decision-making which enables to very desirable ends to be met. One is to provide this community with a much needed larger and newer sports hall and the other is to eliminate the monstrosity, to demolish the monstrosity. But I must warn him, as I think I may have done before, that I do not know whether or how long ago the hon Member has been inside the monstrosity, but I fear that he is going to be very disappointed when the monstrosity is dismantled, because what is inside the monstrosity, regrettably, has been for the last 35 years inside working walls of a generating station, the walls are in a terrible condition. They are stained, they are full of pipes, they look nothing like the rest of the walls immediately outside the plant and one of the consequences of the Government's decision now to demolish the

monstrosity is how much money it is going to cost to restore the walls, just the bit immediately outside where the monstrosity is. Because when we demolish the monstrosity what is left is even more of a monstrosity than the facade of the building. We have a real problem in retrieving the two walls of the original City Walls left.

MR SPEAKER

There is one question and one answer only.

HON J J GABAY

What the Chief Minister has just said of course makes a lot of sense. Obviously we are all interested in the repair, I am sorry that it has so stunned him that he keeps on coming back to that particular mental ailment that he raised and I with a certain degree of I would not say malice because there is none, with a certain degree of humour and I felt it might be taken like that but obviously I misjudged the mood. To come back to one simple point, when he talks of the sign of good government is the ability to change its mind I agree entirely. On the other hand to be beneficial it has to come with some degree of modesty and realisation of other people's views which is in stark contrast to the quotations that I have given that he provided in answer to what were very normal questions in my mind in the past. As well as congratulating the government on the final result, I have already said so.

MR SPEAKER

Is modesty a good thing, that is the question.

HON J C PEREZ

With reference to what the Chief Minister has now said, is it possible to know whether the land on which the sports hall is now to be built belongs to the Government or has to be acquired from the private sector?

HON CHIEF MINISTER

I do not want to answer that question specifically in relation to the sports hall because I do not know exactly where in the area the sports hall sits but perhaps I can answer the question in general terms. The totality of the land that the Government want to use for the expansion of the sporting facilities, which go beyond a sports hall, requires land that is both presently publicly owned and land which is presently not publicly owned and which the Government will seek to acquire. Having said that I do not know whether the sports hall, as the plans presently stand, whether the sports hall is in the public part or in the private part.

NO. 432 OF 1999

THE HON J C PEREZ

ROAD TO THE LINES.

Can Government confirm that the fire hydrants in Road to the Lines were not working during the recent fire in the area?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

The fire hydrant system in the area of Road to the Lines is within a low flow area which, although adequate for domestic purposes, is poor in respect of the high flow required for fire fighting. A project to replace sea water mains supply fire hydrants at Road to the Lines forms part of the Lyonnaise des Eaux investment programme, and the works are scheduled to commence in June 1999. There is a close working relationship between the City Fire Brigade and Lyonnaise des Eaux, and during the recent incident at Road to the Lines the Fire Brigade was able to deploy from alternative fire hydrants nearby which provided the necessary flow and pressure.

SUPPLEMENTARY TO QUESTION NO. 432 OF 1999

HON J C PEREZ

Judging from the Minister's reply it could be assumed that there are other areas in Gibraltar which fall in this category. Is the programme of Lyonnaise aimed at solving all the areas identified or is it that some areas have been identified and some are not and form part of another programme?

HON LT COL E BRITTO

I am afraid I need notice of that question. I am not aware of any other.

HON J L BALDACHINO

Perhaps the Minister can clarify because he said that other hydrants in the area were used instead of that one. Are they not all connected to the same pipe?

HON LT COL E BRITTO

Obviously not.

NO. 433 OF 1999

THE HON J C PEREZ

UPPER ROCK - FIRE BREAKS.

Are Government aware that the fire breaks in the Upper Rock are overgrown and that this poses a danger during the dry season?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

As part of the notice issued by the Chief Fire Officer to all agencies connected with the Gibraltar Disaster Plan, notice is given to the Ministry for Tourism of the necessity to clear up the fire breaks. The operation usually takes place in June/July during the high fire risk period.

SUPPLEMENTARY TO QUESTION NO. 433 OF 1999

HON J C PEREZ

I presume it is expected this year to take place in June/July.

HON LT COL E BRITTO

Yes. As I indicated in the answer it is standard practice for the Chief Fire Officer to issue a letter and in fact such a letter went out on 17 May notifying all the various agencies concerned of the high risk period and reminding them of their duties. I think it is not just the fire breaks but there are a wide range of things people are asked to do and be ready to do and stand by to do.

NO. 434 OF 1999

THE HON J C PEREZ

POTABLE WATER.

Can Government state whether Gibraltar's potable water needs can be adequately met during the next five years with the existing production capacity?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

There is sufficient installed water production capacity to meet Gibraltar's potable water demand over the next five years.

SUPPLEMENTARY TO QUESTION NO. 434 OF 1999

HON J C PEREZ

That is without altering the capacity that comes from the Incinerator, that is to say, the capacity from the Incinerator, the capacity at the Desalination Plant at Waterport and the Wells - those three sources are sufficient to meet Gibraltar's water needs over the next five years.

HON LT COL E BRITTO

Yes, the total installed capacity is enough.

HON J C PEREZ

Can I ask whether this is also the view of Lyonnaise des Eaux.

HON LT COL E BRITTO

Yes, the information has come to me through Lyonnaise des Eaux.

HON J J BOSSANO

Is the Minister aware that some years ago there was a report produced by Lyonnaise des Eaux which said that new desalination capacity had to be installed within the not very distant future. What has happened in terms of source of supply that enables Lyonnaise to now say no we do not need to have new desalination capacity.

HON CHIEF MINISTER

I do not know if this answers the point to which the hon Member is referring because I do not know what report he is referring to. There is a problem in that the incinerator, because of the insufficiency of the supply of refuse, is not producing the quantity of water that it was contracted to produce to Lyonnaise. Whether that means that the project figures that are written into the future are sufficient and that at some stage in the future it will become necessary for additional plant to be added, I do not know. But at the moment I think the plant is producing 350,000 cubic metres and that the original contract envisaged 650,000 cubic metres and the plant has never been able to produce more than what it is producing now which is 350,000 cubic metres, and I

am sure that that affects the need for capital production capacity at some point in the future. But that is the only information I am aware of which impacts on what the hon Member is saying.

HON J C PEREZ

First of all the question is clear whether Gibraltar's water needs can be adequately met with what we are getting. What we are getting is 350,000 but the report that has been referred to by the Leader of the Opposition is one done about 4 to 5 years ago where even that report said that within a span of 5 years with the level of water that was being acquired then from the Incinerator, which is the same amount as it is today, there might be a need for increasing capacity. The question was trying to find out whether that need is still there or why they have changed their minds.

HON LT COL E BRITTO

The way the hon Member has now put the question is slightly different. If he goes back to my answer what I told him was that there was sufficient installed water production capacity. Now, installed water production capacity is with the Incinerator producing the full 650,000, what the hon Member has now said on the level of present production. Now, on the level of present production Lyonnaise has already invested an extra £250,000 in refurbishing the Reverse Osmosis Plants which in the hon Member's time were put into North Gorge because they were considered not to be necessary. Well those have now been refurbished and I think I am right in saying are already working in order to make up the production. Taking forward the scenario as put by the hon Member in his last supplementary, if at some stage in the future the situation with the Incinerator is not remedied and production were to continue at the present levels which are below the contracted levels, then in line with the report that the hon Members have referred to but I have not seen, then my information is that there will be need for further capital investment in further production plant, if the Incinerator does not meet its contracted level of production. That is a problem that Lyonnaise is very well aware of, that the Board of Lyonnaise is actively considering in consultation with the Government and looking forward to providing solutions in time for needs.

NO. 435 OF 1999

THE HON J C PEREZ

MANX ENERGY.

Can Government state whether Manx Energy have now concluded their "Strategic Review" of the Electricity Department?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

No Sir. Manx Energy have not concluded the review that they are carrying out.

SUPPLEMENTARY TO QUESTION NO. 435 OF 1999

HON J C PEREZ

Can I take it that they have already interviewed the people that they needed to interview and that they are now in the process of putting together the reports, is that the situation? If so, when does the Minister expect to receive that report?

HON LT COL E BRITTO

That is indeed the situation as described by the hon Member. Government had requested that the report be concluded by the end of May and on present indications, give or take a slight slippage, indications are that they will be done and that the report will be available to the Government some time in June, I do not have a committed date but some time in June.

HON J C PEREZ

Will the Minister share the report with the Opposition as has been the practice historically in terms of the Generating Station in the reports that have been commissioned before. Is it possible that the hon Member will commit himself to make available to the Opposition a copy of the report when it is ready?

HON LT COL E BRITTO

No, I cannot make that commitment without having seen the report. The report is a report commissioned by the Government specifically on working conditions and until the Government have had a chance to study that report it cannot commit itself to what it will do with it.

HON J C PEREZ

I would just like to remind the hon Member certainly that during our term in office we did not have the necessity of instituting a report, but previous to that reports about the Electricity Department, whether they were on the basis of industrial relations of future generating capacity or cost effectiveness, were shared with the Opposition, and I would like him to take that in mind in deciding whether he is going to share it with us or not.

HON LT COL E BRITTO

Certainly. The Government will keep precedents in mind but what I cannot do is make a commitment at this moment in time.

NO. 436 OF 1999

THE HON J C PEREZ

TELEPHONE LINES.

Can Government state how many telephone lines were in use and how many unissued, as at 31st March 1999?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

The number of telephone lines in use as at 31st March 1999 was twenty thousand, six hundred and sixty-six (20,666).

The System X telephone exchange capacity at present stands at twenty-seven thousand, eight hundred and seventy-six lines (27,876), hence the number of available lines is seven thousand, two hundred and ten (7,210).

The number of exchange lines available can be expanded to meet demands at any time.

SUPPLEMENTARY TO QUESTION NO. 436 OF 1999

HON J C PEREZ

The Minister is talking about exchange capacity. Certainly the problem of another numbering plan possibly restricts the number of lines given that there might be insufficient numbers. Is that not the case?

HON LT COL E BRITTO

There is a difference between telephone lines and telephone numbers. The question specifically asks for telephone lines. I have answered the question within the parameters of telephone lines. There is correlation obviously between one and the other but if one has a limitation in the quantity of telephone numbers then, whether you have 20,000 lines or 50,000 lines, if one has not got more numbers one cannot use them.

HON J C PEREZ

I am trying to find out how many lines are not in use and therefore available to the industry to use in the near future. Unless one does not compare that with the question of the numbering plan, one does not know whether there are 7,876 that could be allocated or less, given that the numbering plan and the problems surrounding that, restricts both GibTel and Nynex in the acquisition of lines as a result of the numbering plan. That is my supplementary. I am asking the Minister whether the seven thousand odd that are available can all be allocated without, put in use, without any problem because the numbering plan does not restrict that.

HON LT COL E BRITTO

I am not sure whether to say yes or no so let me explain. The number or the quantity, to avoid ambiguity, the quantity of telephone lines available (which I have indicated as

7,210) cannot be met by the quantity of telephone numbers that are available. There are less telephone numbers than there are lines.

Even more to the point, if the problem was with telephone lines, there is no problem with the quantity of telephone lines because by technical means one can install more telephone lines. The hon Member's question really should have been what number of telephone numbers are left. The quantity of telephone lines is irrelevant to any problems that we may have in future to the numbering plan.

HON J C PEREZ

So, the Minister perhaps has not got readily handy the number of telephone numbers still available to the public, which he has admitted falls short of the 7,200 lines on the list.

HON LT COL E BRITTO

I do not have all the details to provide that answer to the hon Member in front of me but what I can tell him is that in respect of Gibraltar Nynex only, the allocation is as the hon Member may remember 22,000 telephone numbers. Of these, 19,670 were in use as at 31st March 1999, that leaves 2,330 numbers unused as opposed to telephone lines.

HON J J BOSSANO

Can the Minister say whether he has an idea of the sort of rate of demand that there are for additional numbers, on a monthly or yearly basis. How big a bank do we have with 2,300 members basically in terms of how long we can stay without a problem, on present experience.

HON LT COL E BRITTO

Not a very big reserve.

NO. 437 OF 1999

THE HON J C PEREZ

NYNEX - PAYMENT OF BILLS.

Are Government able to confirm that Gibraltar Nynex is putting into place alternative arrangements for the payment of bills in the city centre?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

Gibraltar Nynex is not putting into place any alternative arrangements for the payment of bills in the City Centre.

SUPPLEMENTARY TO QUESTION NO. 437 OF 1999

HON J C PEREZ

Was it not the case that they were in negotiation with Lyonnaise des Eaux to see whether they could instal one of their cashiers at the point of collection of Electricity and Water in order to facilitate those that could not, or found it difficult to walk down to Europort, and that there were on-going discussions on this matter?

HON LT COL E BRITTO

Negotiations is not the word. Gibraltar Nynex and Lyonnaise des Eaux have held exploratory meetings to see whether it would be feasible for each other's customer services centres to collect payments for those services. The matter is being studied to determine whether it would be practical to link up the computer systems.

HON J C PEREZ

So there is still a possibility that those people complaining that the move to Europort gives them difficulties, there is still a possibility that at one stage or another they might be able to pay their bills at the Water and Electricity collection centre of Lyonnaise des Eaux.

HON LT COL E BRITTO

Yes, there is a possibility. The Government are trying to influence that possibility positively through my presence on both boards, and the Government would have a preference for seeing that in place. But at the end of the day it is a commercial arrangement that needs to be put into place taking into account the practical difficulties, and it is a matter for the management of the two companies to try and sort out. Let me also say, in respect of the other part of the question, that there is no evidence of large numbers of people wanting such facility. I have no doubt that anybody who lives in Red Sands Road would welcome being able to pay the bill in that immediate area so that is why I am saying the Government's preference would be for a facility in the town centre, but there is no evidence of large scale complaints to Gibraltar Nynex since the move. In fact, there is no evidence of more than a handful of complaints.

HON J C PEREZ

Perhaps the Minister is not aware that the move has affected mostly elderly people, even elderly people living in the area of Laguna and Glacis who would normally direct themselves down Main Street, who have in any case to go to pay their electricity and water bills in the area that the Nynex collection centre was, and that now they find difficulty in that they have to go on two different days because the collection centres are not in the same area, which was the whole purpose of opening the Nynex office in the area of Main Street at the time it was opened. Whilst the company might have not received complaints, I certainly have received many representations particularly from elderly people who generally do not have bank accounts because the banks insist they have got to have £500 deposit and pay cash and do not pay with cheques.

HON LT COL E BRITTO

Yes, as I have already said, the Government are aware of the desirability of providing a collection facility and therefore is trying to influence the companies into coming to some sort of working arrangement. But I have also said in answer to similar questions in the past that what is one man's food is another man's poison. The same as some people living in the area where the collection service was before are now inconvenienced because they have further to go, similarly a very large number of people living in the reclamation area, which is now demographically by far the biggest population centre in Gibraltar, are now less inconvenienced than they were before, because now they have the collection centre much nearer to them. So yes some are more inconvenienced and others are less. But be that as it may the Government would like to see a collection centre, if possible, being in the City Centre.

NO. 438 OF 1999

THE HON J C PEREZ

SPANISH BASED MOBILE TELEPHONES.

Since there are no restrictions on the sale of Spanish based mobile telephones in Gibraltar, can Government explain why replacement pre-payment cards for such telephones cannot be imported?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

There is no restriction on the importation of pre-payment cards for Spanish-based mobile phones as long as the cards are imported in accordance with the provision of the Import and Export Ordinance.

SUPPLEMENTARY TO QUESTION NO. 438 OF 1999

HON J J BOSSANO

Perhaps the Minister can explain whether simply that means that they are declared and pay duty. It is not that the Imports and Exports Ordinance prohibits the importation.

HON LT COL E BRITTO

That is correct. It does not prohibit the importation. Importation is allowed as long as duty is paid.

HON J C PEREZ

It has come to our notice that certain people in the Customs are not aware of this given that there was an importer that has been dis-allowed from importing these chips, and when he claimed that the chips were being brought in by retailers in their pockets across the border to be sold in retail outlets in Gibraltar, he was told that that was all right but that officially he could not import them into Gibraltar. I presume that the hon Gentleman is saying that there has been a mistake in the Customs and that this import has now to be allowed. Is that the situation?

HON LT COL E BRITTO

It is now clearer to me that the confusion which I suspected existed in the drafting of the question is in fact there. There would appear to be a confusion in hon Members' minds between what is called a pre-payment card and what is called a SIM card. Are hon Members aware of the difference because the pre-payment card, as mentioned in the question, is not a prohibited import. The SIM card is.

HON J J BOSSANO

Then what is the difference in the nature of the card that makes one prohibited and the other permissible?

HON LT COL E BRITTO

The mobile telephone which hon Members are accustomed to use and which has a little white card inside it, that is a SIM card. Now that is considered administratively to be a card that provides a service. As such, it is contrary to the licence of GibTel for such a card to be imported because by being sold in Gibraltar it provides a telephone service. However, if the card is acquired in Spain by an individual and brought inside his own telephone, he is contracting the service away from Gibraltar. That is the administrative interpretation. Now, the pre-payment card which the hon Member referred to is something completely different. The pre-payment card is sometimes called a charge card, and I do not know whether hon Members can see it from there, but it is bigger more like the size of a credit card, and one scratches out a number, though I have not done this personally, telephone that number and by doing so it enables whoever is at the other end or whatever is at the other end of the telephone, to recharge the system in ones mobile telephone. That administratively is not considered to be providing a telephone service.

HON J C PEREZ

Is the Minister not aware that both cards actually provide a Spanish service, whether one buys a pre-paid card or a SIM card, that they are both related to a Spanish service being sold in Gibraltar, presumably unofficially for people when they cross the border. The fact that the service also happens to cover part of the area of Gibraltar is neither here nor there. But the service presumably sold in Gibraltar, for people going over across the border, as a result that unfortunately GibTel is not being giving a roaming agreement by Telefonica, the matter is in the European Courts and people that want mobile telephony in Spain have to use a Spanish system whilst they are there because we cannot provide them with a mobile telephony base in Gibraltar. But I cannot see the difference of pre-paying a card or buying a card for a service which is then paid for separately, given that both systems are actually putting in service a Spanish system which is not available in Gibraltar.

HON LT COL E BRITTO

Replacement pre-payment cards are not being treated as cards which provide a telephone service but as cards which allow access to an already existing telephone service which may have been contracted outside Gibraltar. The administrative view taken is that in view of the fact that there are so many Spanish based mobile phones on sale in Gibraltar and have been for several years, only the importation of SIM cards is being considered to come within the definition of telephone service as contained in Schedule 2 of the Public Utility Undertakings Ordinance.

HON J C PEREZ

That is to say administratively because they have not been able to stop more than that administratively in the past. They think that administratively they can only stop the SIM card but it is ridiculous for people to be told that even if they are bringing SIM cards across the border in their pockets, that is all right, presumably without paying import duty because they have it in their pockets there is no need to declare them, because it is not normal for people to be body-searched. But if one declares them officially as an official importer then one is not allowed to import them because administratively some one has decided that that is a prohibited import.

HON LT COL E BRITTO

When I say administratively, these are the facts that have been presented to me when preparing the answer to this question. This is the collective view or separate view and then collective view taken by the Attorney General's Chambers, the

Customs Department in consultation with the Regulator designate. It is not my administrative decision, it is not a political decision, it is the conclusion that has been come to collectively by the officials concerned.

HON J C PEREZ

With respect, that does not stop it from sounding rather ridiculous and it does not stop the Minister from having a look at the administrative arrangements to see whether those administrative arrangements are politically acceptable or not, frankly.

HON LT COL E BRITTO

As I said, these administrative arrangements have come to the attention of the Government as a result of research and arising out of the preparing of the answer to this question.

HON J C PEREZ

The Minister is aware because he actually gave the figures in answer to a question at the last meeting of the House. But certainly the performance on mobile telephony by GibTel continues to grow regardless of this and that pre-supposes that people are actually using GibTel in Gibraltar because of the capacity that there is and that these telephones are mainly, not all the time, but mainly being used for use in Spain. I cannot see the difference of two services being provided by Spanish operators, one is pre-payment the other is a SIM card and the pre-payment is allowed to be imported into Gibraltar and the SIM card is not, given that both services are being provided by Spanish operators and none are being provided here, really the sale of those services are presumably for people to buy them so that they have mobile telephones in Spain which regrettably, as a result of Spanish Government pressure, we cannot provide for our citizens here.

HON LT COL E BRITTO

I will say it again. The view that has been taken is that the SIM card provides a telephone service as it is defined and is covered by Schedule 2 of the Public Utility Undertakings Ordinance, and the pre-payment card is not. That is the possibly narrow view but that is the view that was taken. Because it has now come to the attention of the Government, as I have already indicated, the Government will now look at this and consult Customs and consult the various agencies involved and decide what decision to take.

HON J J BOSSANO

We welcome the fact that it is going to be looked at again, obviously, because if there is something which appears to be inconsistent then it should be looked at. Can I just ask, given that he says that the problem with the SIM card is that it needs a licence under the second Schedule, is such a licence in fact obtainable?

HON LT COL E BRITTO

No, Mr Speaker. The second Schedule defines what is a telephone service and the SIM card is considered to be providing such a telephone service and therefore contrary to the Ordinance. Whereas the pre-payment card is not. That is the difference in the view that has been taken.

HON J J BOSSANO

Is in fact the Minister aware that there appears to be a second inconsistency in that in fact the telephones with the SIM card in them are not prohibited. It is only the replacement card that is prohibited. That is that the telephones are being sold and imported with the cards in them already. That is the case.

HON LT COL E BRITTO

The hon Member is right. It follows the interpretation that has been given that if the phone is bought in Spain with a SIM card it is not.....

HON J C PEREZ

It is imported into Gibraltar with a SIM card.

HON LT COL E BRITTO

We will take Members' views into account and.....

HON CHIEF MINISTER

What we will do, if they have not already heard them over the radio, is pass on the hon Members' views to those in Customs and the Telecoms Regulator's office who have made these decisions at an administrative level, and we will certainly instruct them to take the hon Members' comments into consideration to see if it suggests that the decision which has been taken is not sensible. Certainly we will do that but I do not think we can offer any more than that.

NO. 439 OF 1999

THE HON J C PEREZ

NYNEX - INTEGRATED CUSTOMER MANAGEMENT SYSTEM.

Can Government state what is the capacity, in numbers of customers, of the new computer purchased by Gibraltar Nynex at a cost of £1.6 million?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

The Integrated Customer Management System (ICMS) purchased by Gibraltar Nynex Communications has no capacity limitations and is in fact used by much larger organisations such as Telecom New Zealand, with several million customers.

SUPPLEMENTARY TO QUESTION NO. 439 OF 1999

HON J C PEREZ

So I would presume that the design of the computer is basically to service a much larger number of customers than the ones that we have got in Gibraltar.

HON LT COL E BRITTO

The limitation on the customer capacity comes through the software and not through the hardware. The software licence, which has been purchased from IBM, limits the number of customers that can be connected to the system. The licence, which is based on the smallest number of customers, is presently limited to 50,000. However, a further licence would need to be and can be acquired if it is necessary at some time in the future to surpass this figure.

HON J C PEREZ

Yes, but the hardware is there to be able to accommodate software providing a large number of customers with a service. What I am saying is, is it not the case Mr Speaker, that the customer base in Gibraltar is too small to be able to afford such an expensive computer when at the end of the day its main function is one of billing, which is the main telephony function anyway. I know all the other services that it also provides but the main function is billing.

HON LT COL E BRITTO

The choice of the ICMS system came about after very detailed study into the requirements and the situation in Gibraltar by technical people from the United States, specifically from Bell Atlantic. There were a number of bidders, a number of possible suppliers I forget their names but IBM were the recommended and preferred supplier. The system has been the same system that is available elsewhere but within those parameters has been tailor-made for Gibraltar, and the parameters which have been used is to stay as far as possible within the overall system that is used elsewhere so as to avoid problems in maintenance or in expansion or in changes in the future.

HON J C PEREZ

I accept all that but what I am saying is that given for example some company like Lyonnaise des Eaux would normally purchase a computer for the billing of water and electricity, which is after all the main function of the computer, for a price of about £300,000, it seems to me that although all the other services that the computer carries are desirable the price difference between spending £300,000 and £1.6 million does not, those extra services do not in my view justify such a big difference in price for what would be a normal billing computer for the customer base we have got in Gibraltar. Given that it is £1.6 million and the customer base in Gibraltar is one of the smallest recorded in the world, that cost has to be borne by the user and I think it is a very high cost to be borne and to be taken lightly.

HON LT COL E BRITTO

The hon Member is coming to conclusions which are partly based on assumptions. This is not a computer to run bills, which one would buy for £300,000 as he is implying. To start with Gibraltar Nynex had to make some capital investment to change the system and the basic need was Year 2000 orientated. The present system, or should I say the system that had been used up to now because we are about to change over in June, the system that had been used up to now was not Year 2000 compliant. So there was no choice. We had to change the system or our billing platforms and other things would have crashed towards the end of the year. So let us start from that premise, that there had to be a change. Secondly, the need for what needed to be put into place to manage the system, because it is not a billing platform on its own, it is a telephone management system which has a lot of other facilities, the needs were studied and a number of other systems were identified. At the end of the day, IBM provided the best deal at, I think I am right in saying, at the lowest price. The best thing at the lowest price. So it is not that the £1.6 million is excessive, the other suppliers that were offering to do the same thing were less attractive because it did not have all the facilities or because the system was going to be new for Gibraltar and therefore had no guarantee track record. Or because, like in one particular case, it was the Jersey system and it would have to be re-designed for Gibraltar. The IBM system was ideal because it has got a track record, it is worldwide, it has been proved elsewhere, it has the capacity for the future and to cap it all it was the lowest price.

HON J C PEREZ

Is the Minister not aware that according to the press release, the ones that have already acquired this computer are very huge and very profitable, reputable companies, therefore what I am saying is that it might be great for the PTT in Luxembourg to be able to afford a £1.6 million computer and to be able to afford to buy all those services computerised but I personally do not think that every system that is Year 2000 compliant has a difference in price tags from what we had then, which was a computer of three or four hundred thousand pounds which was still expensive for its age, to change that for one of £1.6 million the cost of which had to be borne by 20,000 subscribers which the Minister mentioned in the previous question.

HON CHIEF MINISTER

The point that the hon Member is making would apply equally well for example for the System X. Is this community large enough to have installed a System X exchange?

HON J C PEREZ

System X cost less than the computer.

HON CHIEF MINISTER

The point that I would ask the hon Member to make, the thrust of what he is saying, is that this is either too expensive or unnecessarily expensive or much more than is needed. The decision to make this investment was not Government's decision, I do not know what degree of hands-on management role he used to take when he was Chairman of Gibraltar Nynex, but this is a decision that has been taken by the management and board of directors of Gibraltar Nynex Limited. He knows who the local management is and even if he thinks, and I think that he would be making a mistake, but even if he thinks that the Government would be willing to spend £1.6 million unnecessarily on a computer system, surely he must at least realise that our partners Bell Atlantic, who are in this only for the money, would not be willing to spend £1.6 million unnecessarily on a computer which they think is too big and performs a function that we do not need. So even if he is not willing to trust the commercial judgement of one shareholder, namely the Government of Gibraltar, surely at least he should realise that if both shareholders have found this necessary, and the management of the company have found this necessary that it must be, and I do not understand the system and I hope he does not come back to me with too much technical detail, I am just making the point from general logical principals. If everyone has come to the conclusion, including Bell Atlantic, that this is necessary, it must be because it is.

HON J C PEREZ

I am not saying that it is not desirable. I do not think that all the things that the computer is going to do are necessary but that is my judgement. I am not saying that it is not desirable. What I am saying is that unless people are not questioned on whether it is necessary or desirable at the time that these things happen, one could have a situation where one is getting into an expenditure which is not totally necessary and although it might be desirable, the cost of it has to be borne by a very small number of customers, because regrettably our telephone system carries a very small number of customers. The decision frankly has already been made and regrettably I think cannot be changed. I accept that the Government have only got 50 per cent shareholding. I tell the House that by experience when we were talking about such large amounts of money, certainly if one of the partners was not very happy in spending that amount of money, there would have been discussions between shareholders of a different nature to those taken by the Board before such expenditure went ahead, but that is my experience. How the thing works at the moment I could not say, I am actually questioning that we need to spend this money for something which although might be desirable, in my view is not necessary, and the price of which has to be borne by the telephone users in Gibraltar.

HON CHIEF MINISTER

The hon Member's intervention ignores certain facts. First of all of course there was a technical study entered into before this investment was made. Does the hon Member think that the decision to make this massive investment by the standards of Gibraltar Nynex was taken by management without referring the matter to the Board? Is that what the hon Member really thinks happened here? Does the hon Member really think that even if the decision had been taken only by local management, which it was not, even if local management could pull the wool over the eyes of a dopey Government shareholder, does the hon Member really think that the local management can pull the wool over the eyes of Bell Atlantic, who also had to approve the need to make this investment? The hon Gentleman, in order to create a backdrop for the point that he wants to make, creates the most unrealistic scenarios against which to make it. This is a decision which has been taken by the board, on management's recommendation, after a technical study has been done and it has been approved

through their representative on the board by both shareholders. Therefore this is not a question for discussion between the shareholders. There were discussions between the shareholders. The hon Member has sought to give the impression, or if he has not sought to do it he has done it whether he sought to do it or not, has given the impression, the hon Member has given the impression that this was an unnecessary investment taken by management and bowled past the shareholders who were looking the other way whilst the local management decided to spend unnecessarily £1.6 million in a white elephant computer. That is just not the situation at all.

HON J C PEREZ

The Chief Minister is putting words in my mouth and even scenarios in my mouth which I have not created. He has created the scenario trying to interpret what I am saying which is fair enough, he can interpret what I am saying whichever way he likes. All I can tell the Chief Minister is that I am not alone in thinking that this £1.6 million in this computer, there are highly technical people in the telecommunications world in Gibraltar that agree with me, although all the services provided by ICMS are desirable, I am not going to reveal my source. Sure, the Chief Minister wants to know who so that he can go and tell them why do they speak to the Opposition about these things. I have got my sources in the same way as he had his sources when he was in the Opposition. I am telling him and I am telling the truth, he can believe me or he can not, there are very highly placed people in the telecommunications world in Gibraltar that agree with me and think that although desirable.....

HON CHIEF MINISTER

I do not believe the hon Member.

HON J C PEREZ

Fine, he chooses not to believe me fine, but although desirable for a small place like Gibraltar it is frankly stretching it a bit.

HON J J BOSSANO

Can I ask the Government, in coming to this decision did they look, did they suggest to the company whether there was an alternative that met what was absolutely essential without needing to go into perhaps non essential, in terms of the year 2000 compliance and in terms of the system crashing that we were told about. That element of it, was one of the options looked at, what was needed to address that problem, how much does that cost, without going into something bigger and more sophisticated and of a higher cost.

HON LT COL E BRITTO

The first point does not need to be repeated, it has already been done by the Chief Minister, that this is not a Government decision. This is a company decision. The second point that needs to be made in answer to the specific question is that the decision was made as a result of a lengthy, a document that thick was produced, a very lengthy technical study into the requirements of Gibraltar Nynex, into the shortcomings of the present billing system and that produced, I can not remember off hand, four or five different options. Of the four or five different options that were produced, all the others offered less, were more suspect and were more expensive than the one that was chosen. It is not that the company told the consultants we want a Rolls Royce. They said to the consultants these are our needs, these are our requirements, what do you recommend. The consultants came back and said we recommend a, b, c, d and e. Then the Board looked at the report, looked at the

consultant's advice and went for the obvious choice. No one wanted to spend £1.6 million but there was no choice or the company would not have been able to carry on working beyond the end of the year, in fact earlier than the end of the year, more like September I think was the predicted crash date. Secondly, a system had to be put into place, this was the recommended system, everything pointed to it, so the decision was taken in the light that it was going to cost that much but it could have cost more.

HON J J BOSSANO

Let me just say, it is not that we are not aware of the fact that the decision was a decision of the company and not the decision of the Government alone but we cannot question the other shareholder. We are only questioning the 50 per cent of the company that is publically owned, which is the only thing we can do. Frankly, Nynex might not find £1.6 million a particularly big sum, I can tell the House that by the standard of the £8 million they paid for what we used to have in the City Hall I mean this is beer money, because they got a lot of scrap copper for £8 million in order to come into Gibraltar. The point that we are making is that in the absence of any information available to the House, in a situation where part of the revenue of the Government in the budget is the dividends from this company, it seems to me a legitimate thing to probe the wisdom of this level of investment which will either have an effect on the cost to the consumer or on the dividend to the Government. It cannot come from any other, these are the only two sources from which it can come. Now can I ask when was this consultant appointed, who were the consultants and what was the brief that was given to the consultant?

HON CHIEF MINISTER

The Government have made its position clear on this matter.

HON J J BOSSANO

So the Government position is that it is not prepared to give any further information to the House that would enable us to make our own judgement as to whether this is desirable. That is the position?

CHIEF MINISTER

The Government's position is that it has answered all the hon Member's questions in that respect.

HON J J BOSSANO

They certainly have not answered the last question which is who the consultants are.

HON MR SPEAKER

If they do not want to answer they are perfectly entitled.

HON CHIEF MINISTER

They are not the Government's consultants. They are Gibraltar Nynex's consultants.

HON J J BOSSANO

We are aware that they are Gibraltar Nynex's consultants but is there a particular reason why it should be a State secret. Why can not the Government, who is a shareholder, who is answering questions, who has got information in a budget on

dividends from this company, why is he not willing to reveal who the consultants were?

HON CHIEF MINISTER

It is not a question of the Government not willing to reveal the name of the consultants. It is that the Government are not willing to be lured by the Leader of the Opposition into answering questions as if the people that he were questioning here were the management or board of directors of a company which is not the Government. We are willing to answer the Government policy and the facts about Government business. We are not in this House to answer questions about commercial judgements made by management of Gibraltar Nynex Communications. As to the point that was made earlier about this being paid by the subscribers, the hon Member will be aware that the cost of calls is falling and that this is not going to result in an increase in telephone tariffs. There is a cost for this, obviously there is, it is borne not by the user of the telephone service but by the shareholders.

HON J J BOSSANO

We represent the shareholders in this House.

HON J C PEREZ

The hon Member is misleading the House. The only calls that are falling, and very slowly, are international calls which are the responsibility of GibTel and reflect on GibTel expenditure and not the Nynex calls which are the ones we are probing at the moment and the expenditure of £1.6 million has nothing whatsoever to do with any decreases in international charges which I can say are going down very slowly compared to the rest of the world.

ORAL

NO. 440 OF 1999

THE HON J C PEREZ

NEW RADIO DIGITAL SYSTEM.

What work has been undertaken so far in the introduction of the new radio digital system linking all local essential services?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

Answered together with Question No. 441 of 1999.

NO. 441 OF 1999

THE HON J C PEREZ

NEW RADIO DIGITAL SYSTEM.

Can Government state what is the cost of the new digital system linking emergency services across Gibraltar?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

The Government have awarded a contract to GibTel, working in partnership with Simoco of the United Kingdom, for the provision of a digital radio network for the GOG Emergency Services. The system is due to become operational later this year and the annual cost of using the service and purchasing the radios is provided for in the Government's Estimates 1999-2000, a copy of which the hon Member has been provided with.

The base stations and computer switching equipment have been manufactured and are to undergo testing at Simoco's factory near Cambridge in the UK, before being transported to Gibraltar for installation. GibTel are currently preparing the base station sites around the Rock to house the equipment. The handheld, vehicle and desktop radios are being purchased by the Government through an EU wide tender.

SUPPLEMENTARY TO QUESTION NOS. 440 AND 441 OF 1999

HON J C PEREZ

Can the Minister list the emergency services involved that are being linked in order that I can check in the Estimates provided where the money lies in each department.

HON LT COL E BRITTO

The Fire Brigade, the Prison, the Traffic Wardens, the Port Authority, the Customs and the Royal Gibraltar Police. The heads are 4C for Fire, 5D for the Prison, 6D for Traffic, 6E for the Port, 9C for Customs and Head 11 for the Royal Gibraltar Police. He can also refer to the Improvement and Development Fund Head 104/9.

HON J J BOSSANO

I think the answer originally indicated that the capital investment of this is being made by GibTel, is that correct? What the Government are doing is paying an annual rental or there something related to use.

HON CHIEF MINISTER

A bit of both. GibTel is making the expenditure in the central equipment, the computer and the central radio installation. The Government are in effect renting that in by making an annual payment but the Government are buying for each of the services the actual radio hand pieces, the piece of equipment that each officer will carry. So, the personal radio equipment is being purchased by the Government but the main investment in the equipment needed to run the whole system is being made by GibTel.

HON J J BOSSANO

The nature of the payment by the Government which is in the recurrent expenditure side, is what, a rental based on the number of units?

HON CHIEF MINISTER

No it is number of lines. It is expected that the cost to Government will fall, I will tell the hon Members later in confidence, it is commercially in confidence at this stage.

HON J L BALDACHINO

On the list the Minister stated who were the essential services, the St John Ambulance is not on that list. Is there any specific reason why not?

HON LT COL E BRITTO

There is a slight difference with the ambulance service in that it does not appear separately within the heads that I have mentioned, but whatever the costs are they will appear through the Gibraltar Health Authority. I am not sure whether they will be identified separately or not. But that is a minimal amount.

HON CHIEF MINISTER

The point is that the St John Ambulance as a service is hired in by the Gibraltar Health Authority and so the fee that they will charge the Gibraltar Health Authority will reflect that cost. Of course the Gibraltar Health Authority is not part of the Consolidated Fund in the breakdown sense that the hon Member asks.

NO. 442 OF 1999

THE HON J C PEREZ

INTERNET - HACKERS.

Can Government say whether the Press Release issued on 25th March this year on the risk of unauthorised access to computers by "hackers" on internet, was the result of such unauthorised access into any Government computer?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

No Sir.

SUPPLEMENTARY TO QUESTION NO. 442 OF 1999

HON DR J GARCIA

Although the Government raised the warning on 25th March, I seem to recall the Minister saying on television that while no computer in Convent Place had been compromised there were Government computers which had been compromised. The Minister did not actually know whether they hacked into it or not but the ability to hack in was there. It was a Trojan virus that was planted into the computer.

HON LT COL E BRITTO

I am reluctant for obvious reasons to give too much information publicly on this issue. I confirm what I said before that the issue did not come about as a result of the Government becoming aware of any Government computer being hacked, we became aware of the process of hacking and the indication of the extent of the hacking through other means. As a result of that indication we carried out a security check of all Government computers and that established that a very small figure, I think it was two or maybe three, individual stand-alone computers within the Government had had a Trojan, (which is the device that we are talking about) implanted in them and therefore potentially could have been hacked. It is not possible to know whether it has been hacked or not. Having said that, the computers concerned were all as I said stand-alone, not part of any of Government's networks and none of them had any sensitive or potentially embarrassing information contained within their systems.

As a result of that investigation Government have taken steps to prevent, as far as is possible to prevent these things, to prevent sensitive Government computers, or should I say Government computers with sensitive information on their systems, being accessible to potential hacking. It is still in the process of carrying that out.

HON J C PEREZ

The Minister will bear with me if I am wrong but when he talks about Trojan, is that not a type of virus affecting a computer?

HON LT COL E BRITTO

The words "a type of virus" were used in the Government press release for ease of understanding but I understand that in strictly technical terms it is not a virus. A virus affects the system in a particular way whereas a Trojan usually, I do not want to go into details, but is implanted into the system in a different way and acts in a different way.

HON J C PEREZ

Although it acts in a different way what it has in common with the virus is that if there is a stand-alone and it is accessed or has any contact with another computer, be it a Government collective computer or a stand-alone, it can transfer that virus over? That is not the case?

HON LT COL E BRITTO

No that is not the case.

HON J C PEREZ

So what we had in the Tourist Agency was not a Trojan but a virus.

HON LT COL E BRITTO

What we had where, sorry?

HON J C PEREZ

In the Tourist Agency.

HON LT COL E BRITTO

I have not confirmed where the location of any of these Trojans were found Mr Speaker. So I am not saying that it was or where it was. The Trojans can only be a self-inflicted malady if I can put it that way. A virus can be implanted but a Trojan can only be received as a direct result of an action that one takes from ones own keyboard.

HON DR J GARCIA

I think the House will welcome that there was no sensitive or embarrassing information which was potentially put at risk to hackers. Given that that was the case can the Minister say where the two Trojans were actually found?

HON LT COL E BRITTO

No Mr Speaker, I am not prepared to disclose that information.

HON DR J GARCIA

Perhaps then one wider legal question, can the Minister confirm that hacking in Gibraltar is not actually illegal, and whereas in the United Kingdom one has the Data Protection Act, the Computer Misuse Act, which makes it illegal to gain unauthorised access to a computer and to change the contents of the computer, there is no such legislation in Gibraltar. Do the Government have any plans to introduce it?

HON LT COL E BRITTO

I can confirm that what the hon Member has just said is correct.

HON J C PEREZ

That we have no legislation or that you are planning to have. The hon Member has asked whether you are planning to put some into place.

HON LT COL E BRITTO

There is no existing legislation.

HON CHIEF MINISTER

The Government have no immediate plans to do it but if the major computer users in Gibraltar, in other words if there were to be an obvious call for this legislation, the Government would have no objection to bringing it to the House.

What I really mean is that there is no Government-led initiative, there is no drafting work going on at the moment from within the Government.

HON DR J GARCIA

The issue is so serious that should it not be something the Government should be considering, should consider doing. Secondly, if the hacking of the Trojans are planted from within Gibraltar it is possible technically, so I understand it, to use through the two ISP's that we have here in Gibraltar to actually find out who was actually logging on and hacking or had the potential to hack when they log on at the same time. In other words it was possible to do it back to them and trace who the potential hackers were, if that hacking was being done from inside Gibraltar. Did the Government contact the ISPs at an early stage in order to try and do that?

HON LT COL E BRITTO

The Government called in a number of entities at a very early stage and that included the ISPs. The ISPs are making whatever arrangements but that action does not include the capacity and capability for eliminating the threat in the process. The ISP acts as a post-box. The potential hacker posts his letter which passes through the ISP and is picked up by the ISP and is sent on to the delivery post. In doing so it is not possible to be observed.

HON J J BOSSANO

The introduction of this Trojan in the computer in the first place, which is the result of a connection between the Government computer and an external source, is it that there are internet facilities provided within Government offices for this to happen?

HON LT COL E BRITTO

Yes Mr Speaker. A Trojan is implanted by e-mail and e-mail is an internet facility.

HON J J BOSSANO

Is that restricted or are all the computers in the Government able to link up to the internet or is it a facility that is only used for Government work in areas where it is relevant to the Government's function?

HON LT COL E BRITTO

Two points. Not all Government computers obviously have access to the internet and as a result of what happened, fewer computers now have access and only those thought necessary. With the greatest of respect we are departing from the thrust of the question into a discussion on electronics and computer systems and hacking. I am quite happy to sit with the Opposition Members and talk about computers and hacking but I think we are wasting the time of the House.

NO. 443 OF 1999

THE HON J C PEREZ

INCINERATOR.

Has Government any plans to terminate the operation of the Incinerator?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

No Sir.

SUPPLEMENTARY TO QUESTION NO. 443 OF 1999

HON J C PEREZ

Has it any plans at all to dispose of any part of the refuse in a new plant being built in Los Barrios, where it has been alleged that both Gibraltar and Ceuta are to contribute their refuse to it?

HON CHIEF MINISTER

No Mr Speaker. Not only do the Government have no plans but we are not even aware of press reports. At least I am not even aware of the press reports to which he refers.

HON J C PEREZ

I can show the Chief Minister a copy if he likes, Europa Sur of Saturday 27th February.

MR SPEAKER

You cannot ask whether a report is true.

HON J C PEREZ

I know better Mr Speaker. The reference has been made to it by the Chief Minister.

Can the Minister say whether the fly-ash for example, is being sent abroad, contracted out, perhaps he has not got the information at present, to a destination outside Gibraltar?

HON CHIEF MINISTER

The fly-ash produced as a waste product by the Incinerator after the burning process is packed into special bags and is disposed of in a specialist toxic waste handling facility in Spain but nothing to do with the Los Barrios plant or nowhere near Los Barrios as far as I am concerned. It is half way up I do not know where. Nowhere in this vicinity.

HON J J BOSSANO

Is the issue of whether the Incinerator in any way failed to comply with Community requirements the ones that were being raised with the Commission itself and indeed were there in the past previously as well. Has that now been put to bed?

HON CHIEF MINISTER

Well, the hon Member is aware that the Government are engaged in litigation through a process of arbitration with the owners of the plant, on many aspects of the plants issues. Basically the principal allegation being made against the Government is that it was contracted (and this is a contract entered into by the Opposition Members when in Government), but that the Government of Gibraltar are committed under that contract to provide a minimum amount of volume of refuse and that because Gibraltar has not produced those minimum volumes of refuse and therefore the plant cannot produce electricity, the water required, there is a loss of income stream to the owners and they are claiming that to the Government of Gibraltar. Those claims are being resisted. Mixed up with all of those claims are the clauses in the contract that require the plant to be kept up-to-date with EU environmental directives.

The position at the moment, as far as we are concerned, is that the plant does comply with the current smoke emission directives but it is known that there are proposals for directives just around the corner (which are not yet directives but we know that they are coming), with which the plant would not comply and one of the disputes that the Government have with the owners of the plant is on a proper interpretation of the contract, who is responsible for the capital investment required so that the plant complies with those directives when they become a reality and that is one of the issues in the arbitration.

HON J J BOSSANO

My question was really directed at the complaints to the Commission. That is what I was referring to.

HON CHIEF MINISTER

Well, the answer to that part of the question is implicit when I said that our position is that it currently does comply with smoke emission directives. The Commission, as far as I am aware, has not initiated any infraction proceedings against the United Kingdom in respect of failure by the Gibraltar Incinerator to comply with such directives. That is the position at the moment. Given that there have been very intense complaints, I would suspect that if the Commission has not seen fit to take action it is because there is no action that would be justified.

ORAL

NO. 444 OF 1999

THE HON J C PEREZ

IMPROVEMENT & DEVELOPMENT FUND - HEAD 104 SUBHEAD 15.

Can Government state whether the works to the Rock face at Camp Bay are on schedule, and whether they shall be completed in time for the beach to be opened to the public during the bathing season?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

Answered together with Question No. 445 of 1999.

NO. 445 OF 1999

THE HON J C PEREZ

IMPROVEMENT & DEVELOPMENT FUND - HEAD 105 SUBHEAD 15.

Can Government state how much of the funds available in the Improvement & Development Fund under Head 104, Subhead 15, will be spent on the stabilisation works at Camp Bay?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

The works at Camp Bay are indeed on schedule with the contractual completion date being 8th August of this year. The beach will be opened to the public at the beginning of the bathing season although there will be certain restrictions as was the case last year.

There are no funds available under Head 104 Subhead 15 for the works at Camp Bay. Funding for such works is this year under Head 104 Subhead 13. The sum of £1.6 million is included under this Head, of which £1.38 million will be spent on the stabilisation works at Camp Bay.

SUPPLEMENTARY TO QUESTION NOS. 444 AND 445 OF 1999

HON J C PEREZ

Are the Government expecting to spend the residue of that amount on other stabilisation works?

HON LT COL E BRITTO

On a number of other projects, yes.

NO. 446 OF 1999

THE HON J C PEREZ

CASEMATES PROJECT.

What arrangements, if any, are planned in the Casemates Project for access to vehicles for the supply of merchandise to businesses, refuse collection and other essential services?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

These details in relation to the project have not yet been addressed. Obviously the emergency services will have unrestricted access as they have to all pedestrianised areas.

SUPPLEMENTARY TO QUESTION NO. 446 OF 1999

HON J C PEREZ

Are they not being addressed at the planning stage of the project? If there is going to be a refuse collection cubicle, is it not envisaged that a vehicle has to get there and where that vehicle is going to pass through, whether there are chairs going to be placed or not, is that not being planned at the planning stage? Because if it is not, it would seem to me to be negligence on the part of the Government.

HON CHIEF MINISTER

Indeed Mr Speaker. If that were to be the case it would certainly be negligence on the part of the Government. What the answer means is that the details of how it is going to work has not yet been decided but the development of the square is designed in a way which leaves all options open. For example, although the road is pedestrianised there is a roadway along the three squares of the triangle so to speak. Three sides of the triangle. So there will be a road surface, a roadway prepared surface that will enable the refuse vehicle for example, to pass. The design of the scheme fully accommodates all the possibilities except the one which the Government would not consider anyway for this project which is the central collection point, we do not want a central collection point in Casemates. The design does not include the construction of a central collection point.

HON J C PEREZ

That answers part of the question. There is going to be a triangular road available there for access to vehicles the Chief Minister has mentioned it as well.

HON CHIEF MINISTER

Well, yes. So that it can happen.

HON J C PEREZ

So that it can happen in some measure, because shops there need to get their merchandise delivered. But I am glad certainly that there is going to be some tarmac

road there because if I cannot convince the Chief Minister before the next elections, I will not be in a position to open a road one way through Casemates so as to alleviate the traffic chaos in the lower town area.

HON CHIEF MINISTER

First of all the surface is not tarmacked, secondly, if the hon Member were to do that, I think that the people of Gibraltar would consider it to be a most retrograde step. Thirdly, I think that they shall be safe from that possibility because it is unlikely that he will be in a position to implement such a bad decision.

HON J C PEREZ

Politically I am glad he is thinking that way.

NO. 447 OF 1999

THE HON J C PEREZ

SIR HERBERT MILES ROAD.

Can Government state whether the works at Sir Herbert Miles Road are on schedule, and whether the road is expected to be open during the bathing season?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

The works at Sir Herbert Miles Road are some 10 weeks behind schedule. The revised contract completion date is therefore September 1999. Consequently, this road will not be open during the bathing season.

SUPPLEMENTARY TO QUESTION NO. 447 OF 1999

HON J C PEREZ

Is there any penalty clause in the contract which is being applied as a result of the delay, or is the delay unavoidable as a result of things which have not been foreseen?

HON LT COL E BRITTO

The complexity of the soil stabilisation works in this area are the main reasons for such a delay. The works along this section are of an extremely critical nature due to the steepness of the sand slopes and the close proximity of dwellings. The ground engineering works have proved to be rather more delicate than had originally been envisaged. Consequently, there is a delay. Whether that delay will attract penalties or not I cannot say.

HON CHIEF MINISTER

Either way, I like to make an important point. If I understand the hon Member, if the delays are for reasons which are not the fault of the contractor or the responsibility of the contractor, given that it was a design and build contract, there might be penalties against the Government. In other words, the Government would have to pay additional to the contractor. If on the other hand the delay is the contractor's fault there may be penalties payable by the contractor to the Government.

HON J C PEREZ

That I understand is being looked at at the moment. Can the Minister state whether pedestrian access to the hotel will continue to remain, I think at the moment pedestrian access is on this side, that is to say through Catalan Bay and through the steps. Will there be pedestrian access open through the road to the hotel from the side of the one that is being repaired now?

HON LT COL E BRITTO

That is a changing situation and pedestrian access is provided if it is possible and safe to do so. Again I cannot make any commitment at this stage that that would be the position.

HON J C PEREZ

I am just mentioning this, because on the strength of the dates that were originally given, I would presume that the hotel might be heavily booked for the summer and although the vehicles can go all the way round, pedestrian access on the other side would be important for the tourists that do come and stay in that particular hotel.

HON LT COL E BRITTO

As the hon Member rightly says, pedestrian access is available through Catalan Bay and up the steps and that pedestrian access, as far as I understand, will continue unimpeded.

NO. 448 OF 1999

THE HON J C PEREZ

HARBOUR VIEWS ROAD.

Are Government intending to provide public bathing facilities from the promenade in Harbour Views Road? Other than the placards that have already been placed ever since I put my question in.

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES AND SPORT

I am not aware of any placards having been placed that were not there intended to be placed from a long time back.

SUPPLEMENTARY TO QUESTION NO. 448 OF 1999

HON J C PEREZ

The Minister can check the date and he will see that they coincide with the placing of the question.

HON LT COL E BRITTO

If the placards say anything about swimming, there were certainly discussions between me and the Chief Executive of Support Services many months ago and I asked for those to be put in. To be perfectly honest at this moment in time I do not know what they say. The answer to the original question is No Sir.

HON J C PEREZ

Does it not seem to the Government that having erected these steps that lead to the waterway, encourages people to swim in the area and other than demarcating a small area there and providing lifeguards, although I do accept that now no bathing notices have been placed in the steps, the fact that the steps are there might encourage irresponsible people that might not take notice of those placards before. Would it not be better to close those steps given that the access to the sea, other than for bathing purposes, I do not see why they should be there at all.

HON CHIEF MINISTER

The hon Member puts his finger on a point which we discussed long and hard in Government at the time that we were discussing the design of that promenade. It was never the intention of the Government in agreeing to the placement of those steps down to the waterfront to signal that it was a sea bathing pavilion. However, precisely because there are ill-advised members of the public who take risks, especially young people, we decided with a degree of reluctance to put them in. Let me explain to the hon Member why. Even before the promenade was built and especially in the area to the north of the site, already the practice had grown prevalent of people scrambling down the rocks to gain access to the waterfront and swimming, and then scrambling back up the rocks (which is less dangerous than scrambling down the rocks) and the Government were torn between on the one hand knowing that people would scramble down the rocks and therefore would place themselves in danger on the one hand. On the other hand with installing steps which would possibly encourage people to swim

from there. It was a difficult decision. In the end we decided that on balance the prudent thing for Government to do (but we accept that it is only on balance) is to provide steps so that those people who would otherwise have clambered down the very dangerous rock face to get to the water, at least would now have a safe way of getting to the water. We appreciate that in doing so, in making provision for an unsafe practice that was happening already, certainly we appreciated at the time and we agreed as the hon Member is saying now, that it tends to signal that this is an official bathing facility and that people may now do it beyond the sort of person who used to before scramble down the rock face. We will have to keep this situation under review to see exactly what happens there on the ground and certainly the Government have not closed its mind to what services may need to be provided if it does become too prevalent a swimming area. The other aspect is, whereas the swimming that used to be done before was done round the corner, now this would be swimming to what is in effect a shipping lane in the approaches to berth or pier No. 3, 4 or 5 or whatever it is and it raises the question of whether Government should officially provide a bathing facility in an area which is really so close to a shipping lane.

HON J C PEREZ

In drawing a distinction between the ones facing the port and the ones on the side of GASA, perhaps the ones on the side of GASA might have a different notice saying people should swim at their own risk on the basis that no lifeguards are being provided. But there is no danger because it is not a shipping lane. I am more concerned frankly on the side of the sea where the tugs, small craft and other ships pass because without an area being demarcated one cannot avoid people perhaps straying a bit further than usual and being caught inadvertently by any vessel there. It might be convenient perhaps on that side, to certainly erect a small chain at least which would add to the notice of bathing prohibited and no bathing to discourage people from using those steps for swimming on that side.

HON CHIEF MINISTER

I recognise the wisdom of what the hon Member says and this is why we will keep it closely under review. Indeed, it may be necessary to go further than that because putting in gates or putting a notice does not prevent people, as he well knows, from doing whatever they please. So it might even become necessary for the Government at some stage in the future to lay a demarcation of buoys, in other words, Government draws a distinction between what it wants to signal formally and what remedial action it might take to protect the public from a danger to which they expose themselves. The fact that we do not signal it is a formal bathing facility does not mean that we will not take steps to protect the public if they nevertheless choose to swim from there as I suspect will happen.

HON J J BOSSANO

The position is then that the Government have put steps and then put up notices telling people not to use the steps, is that correct?

HON CHIEF MINISTER

The position is that the Government have put steps not just for swimming but also for fishing and for embarkation and disembarkation for people on their small boats in that area. So the purpose of the steps is not just for fishing but it is certainly true, what I meant to say was swimming, but yes, notwithstanding that what the hon Member says is still true. The Government have placed steps there in order that people who are going to swim can swim more safely even though the Government do not want them to

swim from there. Because people are going to swim from the rocks anyway and were doing so. The purpose of the steps is to make it less unsafe for people to do what they are going to do anyway, even though the Government would like them not to do it at all.

HON J J BOSSANO

But in the fact the notice that says no swimming allowed or no bathing allowed is not a notice that carries with it any sanction or penalty or anything like that.

HON CHIEF MINISTER

Probably not. I have not seen the notice and I do not know whether there is a general regulation somewhere that makes it an offence to swim wherever the Government chooses to put up a notice saying no bathing. It is intended as a deterrent rather than as a sanction.

NO. 449 OF 1999

THE HON DR J J GARCIA

GIBRALTAR IN EUROPA NEWSLETTER.

What has been the total cost of the European Union funding newsletter "Gibraltar in Europa"?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

The total cost of the European Union Funding Newsletter "Gibraltar in Europa" has been £785.

SUPPLEMENTARY TO QUESTION NO. 449 OF 1999

HON DR J GARCIA

Can the Minister provide a breakdown of that figure?

HON P C MONTEGRIFFO

No not really. The publication was of a leaflet, I am not sure what sort of breakdown the hon Member has in mind, whether it is by line, by word, by syllable. It is a leaflet and it is a leaflet that was awarded to a company following a tender process and it is one of a number of leaflets, a maximum of nine and minimum of six, that the tender related to.

HON DR J GARCIA

Perhaps the Minister is not properly acquainted with the printing industry but things like publication for example, the actual printing cost, distribution, the cost of inserting it in the Chronicle for example, is that included in that figure?

HON P C MONTEGRIFFO

The figure is for the cost of producing the new European Funding Newsletter and I am not aware of any other cost that is attributable to that production. I have not got the breakdown as that was not asked for in the question. I am certainly very happy to obtain a breakdown if that is of particular interest.

HON DR J GARCIA

What has been the result that has been achieved in the newsletter?

HON P C MONTEGRIFFO

Hopefully the result of informing the public and informing traders. There are in fact requirements under the EU schemes to publicise the availability of the schemes. We have done our best within the general press facilities open to the Government to inform the public of these schemes. We did see there was value in having a form of series of newsletter targetted at the trading community and we hope to raise the profile of the availability of these funds and make them therefore better known

generally to the trading community. I think the House generally shares the concern that not enough is known about the EU funds and not enough is appreciated about terms of eligibility, there is I think a certain frustration with some traders about just how one can access these funds and the Government are doing everything within its reasonable power, to correct that and to give the impression that we are discharging substantively our obligation to inform and to make these funds available to as wide a range of the Community as possible.

HON DR J GARCIA

The Minister mentioned that the idea is to make the information more readily available to traders. My understanding is from the leaflet itself that actual traders, people in the wholesale, the retail trade, cannot apply for this kind of funding and that it does not apply also to the Finance Sector which leaves a considerable reduced proportion of the trading community in Gibraltar that can actually benefit. So that being the case, can the Government elaborate on that point and also perhaps do the Government know how many leaflets were produced?

HON P C MONTEGRIFFO

The hon Member is not making any great earth-shattering revelation when he says that these schemes are not available to the retail trade and wholesale trade and the finance centre. These are part of the eligibility rules that apply to these schemes generally. Of course it is regrettable because a lot of our industry is indeed retail, wholesale and financial services. One of the big benefits of the scheme is supposed to be that we diversify the economy, we get out of the activities Gibraltar has been dependent on. Therefore although I accept the hon Member's point that the newsletter is not of relevance to all traders, hopefully it will be of relevance to a lot of them. Even for those traders that do not actually now undertake an activity which falls within eligibility rules, it might encourage them to start a new activity which diversifies their business. I think that many would regard there to be quite a lot of duplication in Gibraltar when it comes to economic activity and there is a value in diversification and if the schemes can help existing traders doing one thing to think about doing something else, that is important. I cannot actually tell him how many were distributed, I can certainly give him that information. Our intention is to make them available as much as possible and I do not think that they fell short. I do not think anybody who wanted a leaflet did not get one as a result of there being too few. I would certainly have to look into that detail if the hon Member wants.

HON DR J GARCIA

I would be grateful if indeed the Minister could provide that information. Have the companies that applied been more successful in terms of EU funding after the newsletter was produced than before the newsletter was produced?

HON P C MONTEGRIFFO

I think that the newsletter cannot be judged on that basis. The House will be informed in the series of questions that are now following about the number of applications that have been received on EU funding over the last few months and which of those have been successful. It would be completely unscientific of me to suggest that those applications derived directly or indirectly from the newsletter. One hopes that exercises like the newsletter help to raise the profile as I say and encourage applications. These things are not matters that one can judge on a scientific basis. I am sure that the hon Member will understand that to say anything differently would be completely unwarranted.

HON DR J GARCIA

Two points which need clarification. Firstly, if the actual effects of the newsletter have not been measured, and secondly if it applies only to a small section of the trading community, as indeed we know it does, will we all be forgiven for thinking that the Government are more interested in the propaganda value of the exercise than anything else?

HON P C MONTEGRIFFO

No not at all. The Government are not so desperate in its attempt to get press publicity that it has to produce a tender for a newsletter that cost £785. I think that the Government are able to generate publicity much more successfully rather than using techniques of this type. It is true that the first leaflet carried a photograph of the Minister for Trade and Industry on the first page and that might drive the hon Gentleman to think that it is a matter of personal publicity for me. I hope that it will not be my photograph in future leaflets. No seriously, there are in the EU schemes actual obligations to publicise these moneys. It is the first time Gibraltar produces a leaflet of this type. There are real psychological and other barriers towards people accessing these funds because they are new and limited to certain areas of economic activity. We are keen to make them available and the newsletter is just a genuine attempt, hard as the hon Member seems to be able to accept that, a genuine attempt to reach the trading community and to therefore diversify the basis upon which Gibraltar's economy is structured.

HON DR J GARCIA

The Minister mentions the photograph on the first page of the newsletter, he did not mention the one on the second page of the newsletter. Are the Government aware that the person in that photograph was actually made redundant a few days earlier?

MR SPEAKER

This hardly arises out of the answer, but if you want to answer it.

HON CHIEF MINISTER

What I would say is that surely that must have satisfied the hon Member that it cannot be driven by propaganda since we would hardly wish to give propaganda to that.

HON DR J GARCIA

Unfortunately it was printed and distributed before the Government could do anything about it.

HON CHIEF MINISTER

The hon Member can not have it both ways. Either the Government do it for propaganda or the Government do not do it.

NO. 450 OF 1999

THE HON DR J J GARCIA

EU FUNDING.

Can Government say since February 1999 how many companies have applied for EU funding and how many have been successful?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

Eight companies have applied for EU funding since February 1999. A total of five projects have been successful so far, one has been approved and is pending endorsement and two projects have been recommended for approval.

SUPPLEMENTARY TO QUESTION NO. 450 OF 1999

HON DR J GARCIA

I do not know whether the Minister would have the information but can he supply the names, give a breakdown of the figure with the name of the companies, the purpose for which the funding was required and the amounts involved?

HON P C MONTEGRIFFO

No, I am not prepared to give the hon Member that information. I think that if the hon Member wanted that he could have asked for it. I am certainly happy to supply that in writing and give him the full details he wants but he cannot expect me to have those details if he has not asked for them up front. I can add, just by way of help, that some of the successful applicants were in fact applicants benefitting from a small scheme we have now introduced which allows for a quicker period for amounts below a certain sum, in fact £3,000. So a number of the applicants benefitted from representations we have received that the system is a little cumbersome, the approval system is cumbersome and therefore for smaller grants there is a quicker process which has paid dividends in a shorter time scale for approval.

HON A J ISOLA

The Minister said that there were eight applications, five successful, I think there was one pending endorsement and two approved in principle. If that is right then am I right in saying that none of them have been rejected so far? The three still pending of the eight, there are no others.

HON P C MONTEGRIFFO

That is correct.

NO. 451 OF 1999

THE HON DR J J GARCIA

GOVERNMENT FUNDING/ASSISTANCE TO COMPANIES.

Can Government say how many companies have applied for Gibraltar Government funding or assistance and how many have been successful during the last financial year ending 31st March 1999?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

A total of sixteen companies have applied for Government funding/assistance in the last financial year of which a total of three have been successful.

Five projects are pending approval.
Four projects have not been approved.
Two projects are under consideration.
Two projects have been withdrawn.

SUPPLEMENTARY TO QUESTION NO. 451 OF 1999

HON DR J GARCIA

Can I ask the Minister to supply the same information with respect to this question as the previous question?

HON P C MONTEGRIFFO

Certainly, Mr Speaker, relative to the letter.

NO. 452 OF 1999THE HON DR J J GARCIA**TRADE LICENSING ORDINANCE.**

Can Government confirm whether they are currently studying possible changes to the Trade Licensing Ordinance?

ANSWERTHE HON THE MINISTER FOR TRADE AND INDUSTRY

The Government are able to confirm that it is currently considering various changes to the Trade Licensing Ordinance.

We have been in consultation with the Chamber of Commerce and the Federation of Small Businesses. The matter has also been raised and discussed at the Economic Advisory Council.

The Government are still considering the preliminary drafts of the proposed legislation.

SUPPLEMENTARY TO QUESTION NO. 452 OF 1999

HON DR J GARCIA

Can Government say whether these changes intend to require the registration in Gibraltar of businesses engaged in cross-frontier activity?

HON P C MONTEGRIFFO

Well let it be clearly understood that any business whether it comes in from across the frontier or otherwise actually undertakes an activity which falls within the Trade Licensing Ordinance is licensable in Gibraltar. Therefore, there are many companies that are basically say Spanish or Portuguese that have a trade licence in Gibraltar. But I think the hon Member is touching on the rather more nebulous area of companies who provide services across the frontier that are potentially not covered by the Trade Licensing Ordinance. The Government is looking at that area, it is an area that we know is of concern to local traders, to local commercial entities and it is of concern to the Government as well, but let it be said that this is a matter which has bedevilled different administrations in the past. The House may not recall that in fact the last administration passed amendments to the Trade Licensing Ordinance dealing specifically with cross-frontier registration. The House passed that legislation Mr Speaker but for reasons that we have not been able to ascertain the legislation was actually never implemented. We suspect that the reason for the lack of implementation was recognition perhaps that there are very complex issues that require careful consideration that might in fact not have been fully taken into account when the Bill was passed by the House at the time. That is pure speculation and I am not casting aspersions one way or the other with that but it does show that the matter is complex, the Government are concerned to look at this issue substantively, it is being considered and the matter that the hon Member raises is one of the matters that is being looked at in context of a global review of the Ordinance.

NO. 453 OF 1999

THE HON DR J J GARCIA

BUSINESS DEVELOPMENT IN ACTION SEMINAR.

How many people have been invited to participate in the seminar "Business Development in Action"?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

We have invited or had invited 50 firms.

SUPPLEMENTARY TO QUESTION NO. 453 OF 1999

HON DR J GARCIA

Can the Government say how these companies were selected and how many of the 50 expressed an interest in actually attending?

HON P C MONTEGRIFFO

The conference took place or the project was completed yesterday and was very successful by all accounts. The selection was undertaken in consultation with the Chamber and the Federation of Small Businesses. It was a very targeted programme and therefore in consultation with both those trading organisations, companies that each thought might benefit from these schemes were identified and approached. I cannot give the hon Member the actual figure of attendees yesterday but I know that they were significant and as I said by all accounts it was a very useful exercise. About 20 I am being told by my hon Colleague who actually opened the Seminar yesterday.

HON DR J GARCIA

I am grateful for the figure. Is that 20 firms or could it be that he had five people from the same firm?

HON P C MONTEGRIFFO

I cannot tell the hon Member that. I know that there was considerable interest, there was the selection in the way I have indicated and I would have thought that it is more likely that they are 20 firms rather than five firms each sending two or three each.

HON DR J GARCIA

Can the Government say what the total cost of organising this Seminar actually was?

HON P C MONTEGRIFFO

No Mr Speaker I cannot tell him. The question says how many people have been invited to participate in the Seminar, if he had added what was the cost of the Seminar I would have had that information. I am happy to give it to him but I have not got it on me.

HON DR J GARCIA

I would be grateful if indeed the Minister could supply that information. Perhaps the Minister could tell the House when the organisation of the Seminar actually went out to tender?

HON P C MONTEGRIFFO

The Seminar was organised by the Department of Trade and Industry, specifically by the Business Advisory Unit of the Department of Trade and Industry. It was not organised by anybody else. There is a well-established connection between DTI specifically but also other Government Departments with Durham University and this initiative flows from that contact with Durham University. It was not the subject of a separate tendering procedure, it was a Government training initiative, very much benefitting from facilities that Durham University makes available and which we thought would be of great assistance to local traders. But the results demonstrated that.

HON DR J GARCIA

Can the Government say, if this information is available, my understanding is that the Government and the European Union finance a percentage of the participation and that the businesses actually finance the rest. Can the Government say what that figure actually is, which the company is supposed to pay?

HON P C MONTEGRIFFO

I have not got that information on me. That is the norm. The norm is that each company contribute an amount towards the Seminar and the Government contributes an equivalent amount or an amount in support of that and they have to make available this amount to the member. I think the important point frankly, rather than with great respect delving into the minutia of what obviously is a very modest Seminar, we are not talking about terribly significant funds here, the more important point is that it actually is a programme run by a very reputable business unit within Durham University, they have links with Gibraltar, there has been a very good response from the business community here and that I think is something worth encouraging and promoting. The Government will continue to do that obviously always seeking value for money in what it does. The benefits is what we attach importance to and what I would suggest to the hon Member is perhaps what this House should primarily focus on. If he was asking questions about the quality of the training delivered or the credentials of Durham University I could understand perhaps their concern but bearing in mind the type of operation I would have thought that it would give him quite a lot of comfort that the project was worthwhile and of value.

HON DR J GARCIA

The Minister pre-empted my next two questions which actually were to do precisely with the certificate of achievement which is awarded to the businesses and the certificate of attendance which is awarded to the staff. Is this some sort of recognised academic qualification in UK terms or in local terms or what exactly is it? Really the point I am trying to make, although it might seem there is a minutia of detail, is that small businesses know what the problem is in Gibraltar, the problem is that overheads are too high, so the question which I want to ask is what practical benefit to the business community do the Government think the Seminar will achieve?

MR SPEAKER

Now, I think that hardly arises from the answer.

HON CHIEF MINISTER

Does the hon Member really believe that the only problems facing local businesses are that costs are too high and that there is nothing further that local businesses can benefit from, from being addressed in a Seminar by experts in the running of local businesses and in the setting up of local businesses, he has got this sort of fixation with business costs. Of course business costs in Gibraltar are too high. Business costs in Gibraltar are too high just as the unit cost of generating electricity in Gibraltar is too high and the unit cost of providing a telephone service is too high and the unit cost of running the hospital and schools are too high because we are a small community, providing for ourselves services the cost of which would be shared out between many more than 30,000 people. The private business sector cannot be some, as if by magic, some exception to that inevitable principle. Leaving that to one side would the hon Member - I appreciate it is not for him to answer the question but for us - at least acknowledge that even though we all know that business costs in Gibraltar are high, that there are other things from which small businesses in Gibraltar benefit from these Seminars even though they know that one of their problems is that costs are too high.

HON DR J GARCIA

Let me just make one point. This is not only, judging from the attendance figures, which is of 20, I am not sure whether all the 20 are from one place anyway, 30 other small businesses seem to have thought the same thing.

NO. 454 OF 1999

THE HON DR J J GARCIA

TRADE LICENSING ORDINANCE.

What action have Government taken to regulate unfair competition to established Gibraltar businesses from cross-frontier traders?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

The Government are committed as a matter of policy to continue to do more to provide a level playing field for Gibraltar established businesses. Previous measures have included the well publicised reductions in import duty, Government rents and discounts for early payment in rates.

More recent measures include the following –

Firstly, the issue of firm instructions to the Customs authorities at the frontier that spot checks should be implemented to encourage individual consumers to declare personal imports into Gibraltar thereby allowing import duty to be raised on them.

Secondly, the new and far reaching regulations introduced to better control and penalise illegal labour. These regulations should ensure a more level playing field between those businesses that have employees properly registered for Pay As You Earn, Social Security and other purposes against employers (both domestic and cross frontier) that do not adhere to the rules.

Finally, the reforms being considered as part of the review of the Trade Licensing Ordinance includes issues related to unfair competition from cross frontier businesses.

SUPPLEMENTARY TO QUESTION NO. 454 OF 1999

HON DR J GARCIA

This issue of unfair competition is something which the trading community in Gibraltar is very seriously concerned about. It has been raised both by the Chamber of Commerce and by the Federation of Small Businesses in the various annual reports. It is clear it is something which the Government need to tackle. I note that the Minister has not mentioned the question of people who come across with scaffolding or with tool boxes and obviously coming in to work or to perform some sort of service or task aside from the question of the illegal labour and all that there is the element of people coming across to do jobs on this basis. I was wondering whether the Government intends to look at that as well.

HON P C MONTEGRIFFO

The hon Member should not under-estimate the complexity of this issue. There is something within the European Union which is called Freedom to Provide Services. The distinction between providing services and establishing a business and undertaking an activity is actually very difficult sometimes to draw. There is a right for cross-frontier businesses to provide services in other parts of the European Union.

Which is not to say that there is not an abuse of that cross-frontier regime and which is not to say that the Government and the trading community here are rightfully concerned that there should be some attempt to rationalise that situation, because whilst we quite generously allow cross-frontier services into Gibraltar, I think the experience of our local commercial community is that it is not so easy to do the same across the way. It would be quite childish to minimise the difficulty in this area, I think we all share the sentiments of the trade and has been expressed by the hon Member that this is an issue that is of concern, an issue which we are looking to tackle, but it is not an issue on which one can be (and I am not suggesting that the hon Member is being) but one cannot be simply superficially political about it and simply say the correct thing to say is let us stop cross-frontier services. The matter is neither simple legally or indeed economically let me add because many of the costs in Gibraltar to businesses are actually kept down because of services coming across the frontier. From the shipyard right through to an office block that has a lift maintenance undertaken from Spain. If those businesses had to have a base in Gibraltar, the costs of these services would go up and the consumer would actually pay for that and Gibraltar becomes less competitive as a result. So there are complex legal and economic issues but the hon Member can rest assured that our sympathies lie in the same area and that we will be consulting with the trading community to try and find a solution, which as I say is a problem that is not new but a problem which has been there for a long time and nobody has found an easy answer to it.

HON DR J GARCIA

I do not think anybody is being superficial and I think everybody appreciates fully that this is a difficult question. This is something which was highlighted by the Chief Minister in his Budget Speech in April last year to the House and he mentioned that there would be a tighter control to regulate and control the incidence of cross-frontier trade. What I am suggesting is that that has not actually happened so however superficial or childish or difficult it might be, it is an issue which perhaps the Chief Minister should have addressed before making that statement. Secondly, what the trade in Gibraltar is completely fed up of and that is the feedback which one gets when one walks up and down Main Street on a daily basis, and if one cares to go into any shop and ask, what they are completely fed up of is all these schemes and this idea of duty, rent and rates as if that were enough and that were going to somehow save the economic future or safeguard the future or protect jobs or create new jobs. The plain fact is that that has not been enough and that is recognised by the two main trading organisations in Gibraltar in documents which are public and which I have here and the point I am trying to make is that more needs to be done. What we need is concrete action and not pretty pictures or fairy tale schemes.

HON P C MONTEGRIFFO

In life more always needs to be done, we never get to the promised land and rest. Life is a series of progress in a positive direction but we have made much more progress recently than there has been in the past. I think the trading community should recognise that and indeed I believe does recognise it. The way to deal with these matters is not to start an election campaign a year in advance but rather to look at what has been done objectively, there have been things that have been done positively, we want to do more. There are serious issues well beyond our control, the biggest problem traders had in the last three or four years has been the strong pound. Nobody can do anything about that, that has been the real issue in respect of trade in Gibraltar, the fact that they were suffering from a strength in sterling which is a matter completely outside the parameters of our control. Therefore we can do a lot along the fringes perhaps but there are certain external issues, the frontier, how that operates, the strength of sterling, indeed the strength of the European Economy which impacts in Gibraltar and let us be realistic as to the ability we have to control some of these factors that affect everybody that is in business here and elsewhere.

HON DR J GARCIA

Let me thank the Minister for letting me know that the General Election will be in a year's time.

HON J J BOSSANO

Can I ask the Minister, one of the problems that have been faced with service providers in the opposite direction has been the fact that the Spanish Customs have taken the view that they cannot bring their tools of trade into Spain because we are outside the Customs Union. To what degree are we in the opposite direction able to do something about the tools of trade of those who come in, or is anything being looked at in that area?

HON P C MONTEGRIFFO

I was not personally aware that that was the Spanish position taken on tools being moved from Gibraltar to Spain but we are certainly looking at every possible nuance on how the cross-frontier regime could be regulated. I am grateful to the hon Member's comment on that. It is as I say a difficult issue, if there is an element of control possible by virtue of the fact that we are not in the Customs Union then we will investigate that and feed it into the equation.

NO. 455 OF 1999

THE HON J GABAY

OLD NAVAL HOSPITAL.

Will Government inform the House whether any tender has now been accepted for the redevelopment of the Old Naval Hospital?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

The tenders submitted for the Old Naval Hospital are currently being considered by Government. None have therefore yet been accepted.

SUPPLEMENTARY TO QUESTION NO. 455 OF 1999

HON J GABAY

Would it be possible, obviously at a later date and perhaps in writing, to receive some brief outline of the conditions established in the tender for the preservation of the building, since it is of great historic interest.

HON P C MONTEGRIFFO

The conditions that relate to the building were actually part of the tender terms. That is publicly available on payment admittedly of £25 or £35 but the tender has been closed and I am very happy to be able to make available to the hon Member now, the tender conditions which will demonstrate to him the importance the Government have attached to preservation of the building and its historic importance.

HON J GABAY

I am grateful for that information.

NO. 456 OF 1999

THE HON A J ISOLA

QUALIFYING (CATEGORY 3) INDIVIDUALS.

Can Government state how many applications have been received by the Financial and Development Secretary from companies requesting a certificate as a Category 3 Individual in respect of its employees since 1st September 1998?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

Since 1st September 1998 the Financial and Development Secretary has received seven applications for Qualifying (Category 3) Individual status from exempt and qualifying companies.

SUPPLEMENTARY TO QUESTION NO. 456 OF 1999

HON A J ISOLA

In respect of those seven applications could the Minister tell the House whether the discretion to waive the previous five year rule has been applied?

HON P C MONTEGRIFFO

No it has not.

HON A J ISOLA

So these would all be new entrants into Gibraltar in terms of being employed, new jobs being created by the exempt or the qualifying company.

HON P C MONTEGRIFFO

Yes they are all new people coming in. Of the applications received, two of them were rejected because in fact they would have required an exercise of the waiver with regards to residence which it was felt was not appropriate in those circumstances.

HON A J ISOLA

Am I right in saying the Minister has said these were all from exempt or qualifying companies there were none from statutory development corporations.

HON P C MONTEGRIFFO

That is right. They are purely from exempt and qualifying companies.

NO. 457 OF 1999

THE HON A J ISOLA

LATHBURY BARRACKS.

Have Government now reached a final decision on the proposed development of the Lathbury Barracks site?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

The area of Lathbury Barracks has now been earmarked for three distinct purposes. These are as follows –

Firstly, the allocation of three sites for the establishment of satellite control facilities in accordance with the inward investment projects that this House is informed of.

Secondly, the development of an industrial park for the provision of light industrial, storage and other such commercial units. Whilst an in principle decision has been taken in this regard, the final go ahead will depend on the completion of the feasibility and planning studies which are currently under way.

Thirdly, a remaining area of Lathbury Barracks has been reserved for some other possible use. It would, for example, be able to accommodate an educational or research establishment probably on a smaller scale than had been originally mooted for the area.

In addition to the above of course and as the House is aware, the Government have previously approved the development of the Officers Mess at the entrance to Lathbury Barracks for conversion into residential units.

SUPPLEMENTARY TO QUESTION NO. 457 OF 1999

HON A J ISOLA

Are these, other than the satellite projects and the last one that the Minister has mentioned - the residential aspect of it, are any of these Government's own initiatives or are they all private sector driven?

HON P C MONTEGRIFFO

They are all private sector driven in as much as the first case, the residential development that went out to tender and that was adjudicated in the usual way. The other three satellite projects the ones that the House is well aware of, the companies are progressing to finalise the lease arrangements in respect of those areas. They are the areas which have been identified now for quite some time. Whilst there has been some accommodation to the exact boundaries of those plots, they are broadly within the areas that the House has information on and which I am happy to provide plans for the hon Member if he wishes. What is really new frankly, is the decision to have an industrial park in the middle part of Lathbury Barracks, in the area that houses now the old residential blocks. That area is the area identified as the one that we would like to build an industrial park in.

HON A J ISOLA

Are any of these private concerns the consortium that the Minister referred to in his answer to Question No. 479 of 1998, which put in a bid after the close of the tenders and which Government were considering at that stage? What he actually said was "another consortium has approached the Government expressing an interest in this area and we have said, although the tender process is finished, bearing in mind the difficulty we have come across with that process you are certainly free to submit a proposition" - is that one of the people that has actually gone ahead?

HON P C MONTEGRIFFO

That was entirely separate. That was the time when we had put the whole of Lathbury Barracks out to tender, a consortium approached the Government after the tender time had closed for a touristic related type development. That is now all history. The basic conclusion arrived at by the Government is that the development of Lathbury Barracks in a way that is compatible with the satellite projects, makes a touristic development impossible. So therefore, we have really not taken any decision that derives from the tender process at all. The industrial park will be a Government led project rather like New Harbours for example, and the idea of the industrial park would be to make available then to the private sector industrial units and commercial units of which there is great need in Gibraltar. We expect the project to attract EU funding.

HON A J ISOLA

So the only aspect of the four different types of activity that have stemmed from the tender process is actually the residential aspect, would that be right?

HON P C MONTEGRIFFO

That is correct.

HON J L BALDACHINO

On the residential aspect, on the old Officers Mess, is it that the building is going to be demolished and then built or is it that it is going to be refurbished?

HON P C MONTEGRIFFO

The building will be demolished and there will be an entirely new construction.

HON J L BALDACHINO

What type, is it for the upper market what is going to be built, middle market or the lower market, which market is it designed for?

HON P C MONTEGRIFFO

This type is for the middle market. The market that is above the level of flats where there will be maisonettes. In other words a market for which there is a great demand in Gibraltar, people that are in home ownership already and are moving up the property ladder.

HON J L BALDACHINO

Does the Minister know how many units will be built?

HON P C MONTEGRIFFO

I do not know exactly as I stand here but.... perhaps 17, 20, that sort of number.

HON J J BOSSANO

Is the EU funding something that Government will be able to access from the existing programme?

HON P C MONTEGRIFFO

Yes. Members will be informed in answer to a separate question later on. Funds have to be committed by the end of this year but not spent by the end of this year, there will be two years to spend after the end of this year. So we would like to believe that we could actually commit part of our EU funding to this project and the spending will then take place at any time up to the end of 2002.

NO. 458 OF 1999

THE HON A J ISOLA

LOWE BELL.

When did the first contract with Lowe Bell expire and on what date was it renewed?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

The contract with Lowe Bell expired on 31st July 1998 and was renewed on the same financial terms from 1st August 1998 for a further period of one year until 31st July 1999.

SUPPLEMENTARY TO QUESTION NO. 458 OF 1999

HON A J ISOLA

Am I right in saying that in fact the date of renewal was 1st August but in fact this was done subsequently, because I asked a question in the House in September, to which the Minister confirmed that in fact there were discussions on-going at that time, and we were not given indications to what would happen until the report from that meeting had come back. When I asked a question subsequently I was told that it was 1st August, was it simply that it continued? If it did, were the services provided for the interim period?

HON P C MONTEGRIFFO

That is correct. The arrangements were not finalised until later but it went back to August and services were provided throughout that time.

HON A J ISOLA

It is on exactly the same basis?

HON P C MONTEGRIFFO

Well it is on the same basis with regards to the financial terms. There are a few other things that through experience we have learned and therefore have been included. For example, we have negotiated their assistance in the UK road show, in other words the road show on financial services which is taking place next week and we had obviously anticipated some need for assistance from the UK and therefore that was included as part of their work in this contract this year.

HON A J ISOLA

But the same cost is being spent.

HON P C MONTEGRIFFO

Yes.

ORAL

NO. 459 OF 1999

THE HON A J ISOLA

FINANCE CENTRE PROMOTIONS.

What was the cost of the Government's recent Finance Centre Promotion in Portugal and who was responsible for the marketing of the promotion?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

Answered together with Question Nos. 460 and 461 of 1999.

NO. 460 OF 1999

THE HON A J ISOLA

FINANCE CENTRE PROMOTIONS.

What is the expected cost of the Government's Finance Centre Promotion to the United Kingdom (24th - 28th May 1999) and who is responsible for the marketing of the Promotion?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

Answered together with Question Nos. 459 and 461 of 1999.

NO. 461 OF 1999

THE HON A J ISOLA

FINANCE CENTRE PROMOTIONS.

What is the cost of the Government's Finance Centre Promotion to Switzerland, who is responsible for the marketing of the Promotion and who was invited to attend with the local delegation?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

Let me start by putting the current series of promotional visits into context. The Government have spent much of the last year consulting closely with the industry in order to develop a marketing strategy in partnership with the finance centre. The 1998 Market Survey of the Finance Centre (in which 106 companies participated) highlighted the "promotion of the finance centre" as the most important "Action" point. The survey also analysed Gibraltar's key markets and identified Portugal as Gibraltar's fourth most important growth market (the UK being second). Switzerland was ranked sixth, but was considered a special case given that more FSC licences have been issued to Swiss-based businesses over the last year than to businesses from any other jurisdiction.

The costs of the Portuguese promotion comprised several items. The breakdown of costs are as follows:-

Advertising	9,300
PR and database	2,500
Coach	2,500
Conference rooms/receptions (*3)	7,000
Total	£21,300

In agreement with the participants, the Government contributed £10,000 towards these costs. The balance of £11,300, was met by those companies that formed part of the promotion. Copywrite was responsible for marketing the promotion in Portugal.

In addition, the accommodation and subsistence costs to Government amounted to approximately £3,000.

The UK trip is an ambitious promotion and it is therefore difficult to give a precise estimate of the costs in advance of the event. For example, costs will vary depending on the number of attendees at each of the planned venues. However, our provisional estimate of the costs to the Government of the UK trip is approximately £20,000 to £25,000.

First Financial (which are Lowe Bell) in the United Kingdom has been responsible for targeting lawyers, accountants, independent financial agents and the regional press in each of the cities (approximately 5,000 in total). The cost of this was included as part of the negotiated package with their contract when that was renewed. The Gibraltar Information Bureau in London has dealt with the logistics of the trip and has organised the itinerary together with the Gibraltar Finance Centre here.

The breakdown of the estimate of costs is as follows:-

Database list/invitations	4,000
Conference rooms/receptions/hotel	10,000 to 15,000
Coach	3,000
Flights	3,000
Accommodation (approximate)	5,000
Total	£20,000 to £25,000

This amount will be paid by the Government. Participating companies will be expected to pay their travel to and from the United Kingdom and their own accommodation.

The cost to Government of the promotional trip to Switzerland came to a total of £9,488.

The breakdown of costs is as follows:-

Lunch presentations	2,184
Equipment hire	462
Flights	3,010
Copywrite	1,000
Accommodation and subsistence (approximate)	2,832
Total	£9,488

The Swiss delegates played a major part in setting up and in hosting the various events over the two days. The Gibraltar Finance Centre together with Copywrite organised the mailing and logistics of the promotion.

We deliberately maintained a low profile in Switzerland as this was the Government's first initiative in this market and as we were advised that a high profile event would be counter-productive. There will be several further trips to Switzerland and the Government have set up an informal group to discuss these initiatives and to which anybody who has an interest in Switzerland is invited. Those attending the trip to Geneva were Rock Ltd., Lloyds Bank, Credit Suisse and Velay Services Ltd., all of whom were involved in putting together the itinerary and events for the two days.

SUPPLEMENTARY TO QUESTION NOS. 459, 460 AND 461 OF 1999

HON A J ISOLA

In respect of the Portuguese trip what does the data cost of £2,500 consist of? What does that mean?

HON P C MONTEGRIFFO

The cost of accessing the contacts in Portugal which were mail-shotters and which were approached in an attempt to raise their interest in the event. In other words, it is the cost of accessing the database which was used to send out mail shots and send out invitations. PR services is also the fact that there was time spent in the Algarve by the agents of Copywrite in raising the profile of the event and in trying to seek as good a number of attendees as possible.

HON A J ISOLA

The role of the Government in the press release that was issued stated that the form of creating the awareness was generated through adverts in two or three newspapers and sending invitations to 150 members of the British Chamber of

Commerce in Portugal. There is no mention of any other form of mailing or contact, that is why I asked the question about the database because I was not aware of any database being used to access the newspapers or the members of the Chamber of Commerce. Are Government aware what database (without giving a name) what kind of database was targeted if it was targeted at all?

HON P C MONTEGRIFFO

My understanding is that it was the database available to Copywrite in the Algarve which they used to try to drum up interest in the event. The hon Member is right in that the majority of the exercise was actually done through advertising and hence the larger figure for advertising, but there was also access to the database connections which they have in the Algarve and which was used to try and raise the profile of the event.

HON A J ISOLA

Are the Government considering a further such venture? If indeed it is will it do so on the same basis that it has done the previous one? Bearing in mind that the itinerary and the manner in which it was done was questioned, not the fact of doing it itself but the manner in doing it, on the basis that certain people did not think it appropriate to have the first day in the south of Portugal, the second day in the middle of Portugal and the third day back down in the south again. People believe that it should have been done two days in one and one day in the other to save people having to get up at 4.00 am as it was reported that they had to do.

HON P C MONTEGRIFFO

The reason behind that particular rather demanding schedule was that it was felt that if somebody could not attend a venue in the Algarve on the Monday, because for example they were away, that it was more likely that they would be able to attend on a Wednesday rather than the Tuesday. Since in any event the trip up to Lisbon had to be made at some stage, it was felt that it was actually useful to try and split up the days in the Algarve in that fashion.

With regard to the trip generally I am not sure what the hon Member is referring to Portugal specifically or road shows generally. As far as I am aware, indeed I am certain, no Government have ever gone out to Portugal before to try and promote the financial services sector there. It was a decision that had to be carefully considered. There were some in the industry, I think a small number, that felt that raising the profile in Portugal could even be negative, because we might alert the Portuguese authorities to the use of Gibraltar. On the other hand there were those who felt that properly done without a great deal of exposure in the press and targeted there was value to it. The views that we took within Government was that because Portugal was identified as a growth market and because there is already a great deal of exposure to Gibraltar in Portugal, many lenders here provide mortgages in Portugal, many banks have clients, that actually the danger of alerting the Portuguese authorities was very minimal. The Portuguese authorities are very aware of the use of their ex-pats of Gibraltar and indeed seem to be quite relaxed about it at this stage of the development of the Algarve, at any rate. So therefore we actually are quite convinced that Portugal was a right location to go to. With hindsight there is one element of the trip certainly that we would re-do. This Mr Speaker, without boring anyone to tears on this, is that the events involved whole day exhibitions from 10.00 am right through to 6.00 p.m. followed then by cocktails, and a more formal evening session. I think with hindsight it probably would have been a better idea to have compressed the exhibition to say two or three hours in the afternoon rather than spread it all out over the whole day. But Mr Speaker at the end of the day we are developing these promotions, the lessons that we might have learned in Portugal I hope will be borne in mind for the UK

this week, I have no doubt about the value of the time spent in these trips and as I have said in making comments on this in the press in the last couple of days. If further evidence were necessary of the value the private sector attaches to them, one need only look at the fact that a number (quite a number) of private sector companies, including some that came with us to Portugal, are accompanying us on this trip to the United Kingdom.

HON A J ISOLA

Are the Government saying that it would therefore, other than the changing of the time of the open day seminars, do it in the same way that it has been done in the past. It would not seem, certainly to the Opposition, that an expenditure of £23,000, £24,000 including accommodation to receive six, seven or eight (and one can never predict this I appreciate that) but six or seven delegates in a whole day, woken up at 4.00 am, will dissuade or not persuade people rather than that it has been a particularly successful visit. I fully understand it is the first time and I fully understand that there is a learning process and I would suggest, as the Minister knows, we have both been on marketing business abroad together in some instances, this learning curve certainly seems to be rather sharp and I would have thought that it would need a review of the manner in which the awareness, if I can put it that way, was created to hopefully target it at a better area to receive a higher degree of interest from the recipient country.

HON P C MONTEGRIFFO

Let me just say this and I do not want to give the impression that we regard ourselves to be at the very bottom of the learning curve in this respect either Mr Speaker, the methodology used was not entirely novel and untested. I can recall the hon Member actually accompanying me on the trip to South Africa but the trip out to South Africa about two years ago, which followed a similar initiative that the last government took, actually had a very similar type of format. In other words, primarily adverts in the press as the main way of generating interest and invitation pursuant to that advertising for people to attend an exhibition. Indeed in South Africa the numbers were higher. Now it might have been because in South Africa two years ago there was so much productivity, so much political uncertainty that the circumstances were just that much riper for them to be interested in the sort of proposition Gibraltar was making. I think the main message frankly is that in addition to advertising, people respond much more positively to a direct invitation. I think if one gives a direct invitation out to people and then one seeks to try and get a specific response, then one is ensured of getting numbers and committed numbers. That is precisely the approach that we have used in the UK. The UK has not involved any advertising in the provincial press, it has all been by way of direct invitation and direct RSVP responses. So probably an attempt to be more-targeted is something we would have learned out of the Portuguese trip. But as I say, that methodology has been used on other occasions and been successful in other markets.

HON A J ISOLA

Is the Minister saying then that in fact no direct invitations were sent in this case?

HON P C MONTEGRIFFO

Yes some were but that was not the primary form of promotion. The primary form was advertisements, there was then direct contact in the Algarve but that was not the main thrust of the targeting of the clientele.

HON A J ISOLA

That targeting in the Algarve was what the database was used for?

HON P C MONTEGRIFFO

That is right.

HON A J ISOLA

In respect of the United Kingdom promotional visit, am I right in saying that that was originally intended for the second or the latter part of this year as opposed to the first part of this year?

HON P C MONTEGRIFFO

I do not think so. I think that when we concluded after the survey last year of the industry that promotion was important and we identified Portugal, Switzerland and the United Kingdom, we did not relegate the United Kingdom to the autumn, it might have been an option. Obviously one has to avoid the summer period but no, we have not pushed forward the United Kingdom on for any sinister reason.

HON A J ISOLA

It just seems to me from the letters that were sent to me in my personal capacity that the whole United Kingdom road show appears to be a little rushed. When enquiring further I have been told by a number of people in the sector that in fact this was a conference targeted for the second part of the year and they were not sure why it had been brought through. Indeed the letter that is sent to the individual people apologises for the shortness of time that has been given. I was wondering what reason there may be for bringing it forward and doing it in a rather rushed way. I was wondering whether it may have anything to do with trying to get a reception on the same day that Manchester was in the European Cup final, which I know has now been changed. I do not understand the reason why it seems to have been rushed.

HON P C MONTEGRIFFO

Two reasons actually. One that we know that there has been quite a lot of press in the north of England with regard to our recent problems at the frontier and we think that there is some political value in getting out there and being quite bullish about the fact that business remains strong and that the opportunities in Gibraltar remain important. Secondly also, because we do think there is a window for Gibraltar in the wake of the Edward's Report. We get a lot of feedback from people that use the Channel Islands and the Isle of Man that the Edward's Report, which of course they tried to put a very positive spin on, is nonetheless something which represents a serious challenge to the Isle of Man and to the Channel Islands and that therefore Gibraltar will be of a special interest to the offshore agents, offshore operators in the north of England. So we certainly thought the timing was good now, there is no reason other than that to explain the current timing. I accept the timing has been a little tight but those people that we have worked with have been very understanding and we have been able to pull it off successfully and now we just have to trust that our plans will produce results.

HON A J ISOLA

May I ask how many firms or companies are actually accompanying the Minister onto the UK trip?

HON P C MONTEGRIFFO

At the latest count there are 8 companies that will accompany (or institutions) my delegation and a couple, that whilst not accompanying us from Gibraltar, have a UK office or a UK presence and will join us at some of the seminars as necessary.

HON J J BOSSANO

The Minister said in relation to the Swiss visit that one of the elements was the fact that over the last year the Financial Services Commission have issued more licences to Swiss groups than to any other nationality, how many such licences are we talking about?

HON P C MONTEGRIFFO

I could not give the hon Member a number right now but certainly we are talking about, between eight to 12. They are mostly in the area of company management, portfolio management. There is a strong demand in Switzerland for a base which has no VAT, which does not raise stamp duty, which is also conscious of issues like confidentiality and Gibraltar has been identified by a number of Swiss operators as providing that set of criteria. It is very low profile work, as one would expect from Swiss operators, there is very little trumpeting going on but it is a very important growth area and there is much more business that we can derive.

HON J J BOSSANO

These are not extensions of existing businesses, these are new people?

HON P C MONTEGRIFFO

They are not but curiously enough and without delving into detail it is interesting to see that some of the people setting up in Gibraltar, some of these Swiss operations, are actually people that have worked in some of the Swiss banks in Gibraltar, have left those banks for all sorts of reasons and are establishing their own companies. There is certainly a number set up that follow that pattern. So they are not extensions, they are developments in that sense but they are both people that have worked here before and set themselves up separately and new clientele which is coming in to replicate what these are doing.

NO. 462 OF 1999

THE HON A J ISOLA

GIBRALTAR/MALTA - FINANCE CENTRE.

What new business has been generated for Gibraltar's Finance Centre as a result of its cooperation with Malta?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

Apart from a general awareness both in Malta and in Gibraltar that cooperation could lead to mutual benefits and apart from certain informal discussions to this effect between professional and businessmen in both jurisdictions, there is no formal cooperation with Malta. A future visit at Government level to Malta has been discussed and may take place some time in the year 2000.

SUPPLEMENTARY TO QUESTION NO. 462 OF 1999

HON A J ISOLA

Referring to a report in the Finance Centre page in the Chronicle which reported that Gibraltar and Malta had began talks on how the two offshore jurisdictions can benefit from each other's trends, I was wondering if from what the Minister said in fact nothing has happened this simply being contact at a professional level, which I imagine is the same level with any other jurisdiction, so there is nothing special.

HON P C MONTEGRIFFO

It is not quite that either. There has been contact specifically with the Gibraltar Finance Centre as Gibraltar Finance Centre, namely the Government of Gibraltar. The contacts primarily have been with the equivalent of the ex Financial Services Commissioner in Malta, a gentleman named Professor Bannister, who is a well known player in the international offshore world and who is now actually very close to the new Maltese Government. He has been to Gibraltar on a few occasions and is keen to do more with Gibraltar. Secondly, a number of Maltese companies including insurance companies, that are looking at Gibraltar and seeing how we can develop ourselves jointly. Primarily their interest is in our EU status, they want to prepare for their own EU application and they see our experience as being of interest. They are also actually quite interested in North Africa and whether Gibraltar might have a role to play in that area. There have been approaches made to the DTI by commercial entities and by this individual that has had formal positions in Malta and is actually quite close to the Maltese government and is pursuant to those contacts that it has been suggested that there might be value in a formal political exchange with Malta some time next year.

HON A J ISOLA

May I ask what kind of arrangement is envisaged. The article quotes the Finance Centre Development Director as saying the advantages of such an arrangement. What arrangement is it in fact that we are seeking, if any at all?

HON P C MONTEGRIFFO

That is a very broad question. I am not sure how much the House would want to hear about this in detail, but basically the proposition is we are in the EU they are not in the EU, we are linked to continental Europe they are not so for example, Maltese banks might not have a private client facility in this part of the world, we are close to North Africa, West North Africa, there are a number of different propositions that are of interest to the Maltese and us with them as well. For example, training, how does one train ones indigenous population in fairly small communities, it is a whole range of issues.

HON A J ISOLA

So really what we are talking about is exchanges which will lead to a greater awareness of each of the centre's pros and cons. That is what is meant by an arrangement. I am using a word that the Minister has used.

HON P C MONTEGRIFFO

Well, pros and cons and opportunities of working together. Malta is not alone for example, the Channel Islands, we do think that we are of interest to the Channel Islands as an out-sourcing location because the Channel Islands will not accept any more people going into the Channel Islands, institutions cannot grow. The out-sourcing of working is actually taking place to the UK at present. That is where the Channel Islands operators are actually out-sourcing their work but we think we actually have an interesting proposition to the Channel Islands saying "look, you could actually have operations in Gibraltar, because we do have capacity for growth in office facilities". So there are various opportunities of working together with various centres and it depends very much on the circumstances of each particular case.

HON J J BOSSANO

Is it not the case that when the presentation was made in the Britannia a considerable time ago, the proposition then was something described as bank office operations for companies in Gibraltar being done in Malta. Has anything come of that?

HON P C MONTEGRIFFO

No, nothing has come of that. I do not quite recall the circumstances in which that arose.

HON J J BOSSANO

Yes I think it was in fact in the contribution by Mr Anthony Fisher, from what I recollect having been present in the audience, that he put forward the idea because Malta was a less costly place than Gibraltar, we could thumb out work to them. Presumably on the basis that the Channel Islands thumbs it out to us and then we thumb it out to Malta because Malta is cheaper than us.

HON P C MONTEGRIFFO

He may or may not have made the point. The only thing that I can say is that since he must have been very recently arrived in Gibraltar he must have not been sufficiently versed with the fact that we would give priority to out-sourcing work done from here rather than sending out-sourcing work somewhere else. But he knows Malta well let me say that and that is why at that early stage he was thinking about doing things with Malta that we would work together on. But the basic proposition in terms of out-sourcing is that we do think in Gibraltar that we are a lower cost area than certainly

the United Kingdom, I am not sure about Malta, and that for example I go back to the Channel Islands, we are an interesting option for territories like the Channel Islands.

HON J J BOSSANO

I am not questioning that because if I may invent an artificial concept, he is talking about in-sourcing in that context because we are talking about somebody else sending the work to Gibraltar and I remember very clearly that what was put of the potential connection with Malta on the Britannia was us thumbing out work to Malta. My question is, that certainly does not form part of the subject any longer, if it ever did?

HON P C MONTEGRIFFO

It does not, no.

NO. 463 OF 1999

THE HON A J ISOLA

GIBRALTAR ENTERPRISE SCHEME.

How many applications have been received and in respect of which projects for assistance under the Gibraltar Enterprise Scheme from 1st September 1998 to 31st March 1999, and how many of these applications have been accepted stating the amounts applied for and approved?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

A total of nine applications have been received for funding consideration from the 1st September 1998 to 31st March 1999.

Approved projects are listed as follows:-

GES/017/98 - Aluminium Workshop Lease

Total project cost:	£37,000
Total GES loan applied for:	£20,000
Total GES loan approved:	£20,000

GES/018/98 - Manufacture of Plaster of Paris

Total project cost:	£6,000
Total GES loan applied for:	£6,000
Total GES loan approved:	£6,000

SUPPLEMENTARY TO QUESTION NO. 463 OF 1999

HON A J ISOLA

Did the Minister say that nine had been received.

HON P C MONTEGRIFFO

Nine have been received and two have been approved and I gave out the details in respect of those two.

HON A J ISOLA

Seven are pending.

HON P C MONTEGRIFFO

The other seven, well, the state of the seven are that there are three that are pending approval, there is one that is deferred, one that is not approved and two that have been withdrawn.

HON J J BOSSANO

In this particular type of scheme is it for manufacturing, because the two that have been approved seem to be involved in manufacturing.

HON P C MONTEGRIFFO

Not necessarily. The main purpose of the Gibraltar Enterprise Scheme is to fill the gap between a lot of what Gibraltar business is about and the rather narrow parameters of the EU eligibility rules. The Gibraltar Enterprise Scheme is the Gibraltar Government Fund which seeks to provide an element of provisions in areas outside the strict eligibility EU guidelines. But of course, it might extend into areas that would also be eligible for EU funding. I think there is a strong bias towards manufacturing capability, for example, aluminium windows, the vast majority of aluminium windows are imported from Spain. We are quite keen that there should be a local capacity but it is not necessarily linked to manufacturing, it is quite broad.

HON J J BOSSANO

Given the restrictions on the use of EU funds which cut out retailers and finance and so on would it not have been possible to channel this type of thing which appears to be capable of meeting the new criteria or was it that it was looked into and it did not meet it?

HON P C MONTEGRIFFO

Is the hon Member asking whether this scheme is challengeable by the EU?

HON J J BOSSANO

What I am suggesting is if in fact there is a problem in making EU funds available to as many people as one would like because of the restrictions and the manufacture of aluminium windows and the manufacture of plaster of Paris are things that are clearly not in the retail trade or in the finance centre, so they would not be having that handicap. Would it not have been possible to channel them into using EU funding instead of Government funding because there would have been a better use of the balance of the money.

HON P C MONTEGRIFFO

Not in this case because the GES is designed as loans whilst the EU is grants. But the hon Member is right, if the aluminium and plaster manufacturer uses grants if they had been eligible for grants, then that could have been under the EU programme. The GES is primarily loans and therefore loan applications, which are not available under the EU structure, come under this particular scheme.

NO. 464 OF 1999

THE HON A J ISOLA

GIBRALTAR ENTERPRISE SCHEME.

What are the terms and conditions of the loans granted under the Gibraltar Enterprise Scheme?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

The following guidelines are used when considering loans under the Gibraltar Enterprise Scheme:

New start-up businesses	£10,000
Expansion of existing businesses	£30,000

Exceptionally, loans in excess of the above amounts will be considered if the loan is secured or the project is considered to be of particular strategic economic importance.

Businesses will usually be required to demonstrate that they will contribute no less than 30% of the total project cost.

The applicant will be expected to repay the loan in the shortest period of time. The maximum loan repayment period will usually be 5 years, however, in appropriate circumstances, a holiday period may be approved.

For loans in excess of the maximum, which may be approved from time to time, the repayment period may be longer. These will be considered on the merit of the individual projects and the amount of the approved loan.

SUPPLEMENTARY TO QUESTION NO. 464

HON A J ISOLA

In so far as the terms and conditions as to for example interest, is interest payable on this loan and if so at what rate? What type of security do Government seek to get in terms of the loans that are made? In terms of the holiday period, is that a holiday period of no payment at all or would that be interest only on capital repayments for that period?

HON P C MONTEGRIFFO

There are no fixed rules just general guidelines. The normal interest is base rate and the soft loan is a base rate figure. The holiday that is referred to can be either a holiday of interest and capital or both and usually a floating charge is taken against the assets of the company but again it depends on the size of the loan. There will be some loans that are so small that a structure of that type is not appropriate. The basic important issue I think is base rate, it is repayable usually over a maximum of five years and there can be holidays in both capital and interest if the circumstances so justify.

HON A J ISOLA

May I ask in who the discretion is vested. Is there a committee, is it the Minister, is there a board that receives, considers and deals with these applications?

HON P C MONTEGRIFFO

It is a Government decision but there is a mechanism which includes the social partners, trade unions and Chamber of Commerce in recommending to the Government applications for funding. Essentially meetings take place with this group of advisers, which includes both Government officials and social partners, recommendations are made to the Government and the Government endorses or rejects the terms of an application.

NO. 465 OF 1999

THE HON A J ISOLA

HEALTH & FITNESS CENTRE CLINIC.

Can Government state what was the proposed use of the £39,457 loan granted to the Health & Fitness Centre Clinic under the Gibraltar Enterprise Scheme?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

The proposed use of the funds are to assist the company with the initial capital investment of the proposed project. However, a loan has not been granted to the project. An offer was made by way of a loan to the tune of £39,457 subject to the applicant being able to raise the rest of the capital investment. As the applicant has not yet been able to satisfy the Government on the funding package the loan has not yet materialised.

SUPPLEMENTARY TO QUESTION NO. 465 OF 1999

HON A J ISOLA

Two questions from that. First question, for how long was the offer open to be accepted by the applicant in this and in other applications to fill in the criteria necessary? Is it open-ended or is there a time frame in which they have to respond? Secondly, along the terms that the question was asked, was the use for equipment basically?

HON P C MONTEGRIFFO

There is no fixed time scale within which a response had to come back in a circumstance like this but I think there would be an element of common sense applied to a situation such as the one that we are faced with in this particular project. Indeed the company was not able to come back reasonably soon to the Government and the Government do not really regard the offer as being opened ad infinitum for whenever it is taken up. The money was indeed for equipment. Equipment which was needed to set up this facility which involved the provision of assistance for sports, sporting injuries, health and fitness treatment, advice to clients etcetera.

HON A J ISOLA

Is the offer in actual fact still open?

HON P C MONTEGRIFFO

I could not say for certain but it would seem to me to be the case that it is. The answer to the question suggests that the offer is still open unless there has been some communication from the Department to the applicant that is not reflected in the answer, I would have thought the offer is still open and that therefore the position is as stated in the reply that the company has not yet met its side of the bargain in terms of financing the other part of the capital costs. If it were to produce those funds then the loan would in principle be available. If it does not after a reasonable period of time, the loan would just fall away, the offer would just fall away.

In all this, I do not want to delve into too much detail, but in all this the attitude of the Government and of the Department is to be helpful and constructive. We are talking about actually prime pumping businesses that but for the loan would not happen. One of the features of the loan should be that it does not substitute other lending. It is not a question of saying hold on if bank lending is available do not go to the bank, come to the Government instead. This is for projects where we take the view that there is not commercial lending available. So the attitude is one of positive engagement. Our attitude is trying to make it happen rather than to seek reasons for it not to happen. The purpose behind the funds is to generate that activity.

HON J J BOSSANO

Is it not the case that if I understood correctly in answer to a previous question on the criteria of the Enterprise Scheme loans, the Minister said that it was £10,000 for new businesses and £30,000 for expansion of businesses. So this is one that is seeking £39,000 to expand but is already operating, is that correct?

HON P C MONTEGRIFFO

I do not believe so. I think this is a new project. It falls outside the normal guidelines for reasons that are explainable.

HON J J BOSSANO

But if the norm is £10,000 then nearly £40,000 is quite well outside.

HON P C MONTEGRIFFO

Yes Mr Speaker, but when one has a situation where the total cost of the project is £131,000, the company is going to contribute £92,000, in circumstances like that the company comes saying look I am putting £92,000 in can I have a balance of so much by way of loan. Our guidelines are not guidelines that are a straight jacket.

HON J J BOSSANO

So the 30 per cent of cost is then what the loan element of the Government not of the business. I think when I made a note of the criteria I put down the figure of 30 per cent of the cost having to be met I thought by the investor. Is it that the 30 per cent is the Government's sort of share?

HON P C MONTEGRIFFO

Not necessarily. Thirty per cent is the company's. There are situation where the company can access both EU funds and GES funds. Again, the Government would tend to discourage such a low participation from a company itself but there are situations where the company can get an EU grant, straight grant, a straight sort of money that goes into the company without a repayment package and then a GES soft loan. That has happened in circumstances that warranted it.

NO. 466 OF 1999

THE HON A J ISOLA

HEALTH & FITNESS CENTRE CLINIC.

How many people have been employed in the Health and Fitness Centre Clinic and how many of those people are Gibraltarian?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

As the project has not yet started no employment figures can yet be accounted for.

SUPPLEMENTARY TO QUESTION NO. 466 OF 1999

HON A J ISOLA

May I ask in respect of the application, is one of the factors that Government takes into consideration the number of people to be employed in the project? Do they have any influence on the decision of the board that considers applications, how many of these people will actually be Gibraltarians? If it is, is it a condition of the loan?

HON P C MONTEGRIFFO

Employment is an important criteria absolutely. There are weightings given to different aspects of a project and employment is one of those weightings. It is sometimes difficult to decide what importance to give to employment vis a vis the amount of money involved, the high money for more employment, lower for less and these things are difficult to equate. But employment is a very important aspect, justification is important to a new type of activity. The general Government policy is to seek to encourage resident labour but it is not a condition of the loan as far as I am aware that the labour has to necessarily be resident. I am sure that when these things come to be implemented those applying for it are made aware of the Government's preference per se but it is not a formal condition of the assistance.

HON A J ISOLA

So we do not have a parallel system, for example the hotel assistance scheme where there are minimum levels of employment and if one goes below that one would be in breach of the actual loan documentation. There is no such parallel here?

HON P C MONTEGRIFFO

There is not, Mr Speaker.

NO. 467 OF 1999

THE HON A J ISOLA

INTERREG GIBRALTAR/MOROCCO.

Can Government state what is the balance of unused Interreg Gibraltar/Morocco 1994-1999 Programme Funds as at 31st March 1999?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

The position with regard to the Interreg Gibraltar/Morocco 1994-1999 Programme funds as at 31st March 1999 is as follows:-

Of the original allocation of monies £61,769 has been spend on ERDF. There are no projects yet incurring Interreg ESF expenditure. However, committed funds total £101,250 on ERDF approved projects.

This leaves the following balance of uncommitted funds:-

European Regional Development Fund (ERDF)	£233,750.00
European Social Fund (ESF) (31st December 1998)	£175,000.00

SUPPLEMENTARY TO QUESTION NO. 467 OF 1999

HON A J ISOLA

What was the total, if I may ask in another way, available in the programme. What was the total amount of funds available to this programme?

HON P C MONTEGRIFFO

The total amount of the programme, one would have to add up these £233,750 together with the £61,769 and the £101,250 which is committed. Plus the £175,000. The figures I have given are the totality of the programme.

HON A J ISOLA

Okay.

NO. 468 OF 1999

THE HON A J ISOLA

OBJECTIVE 2 FUND.

Can Government state what is the balance of unused Objective 2 1997-1999 Programme Funds as at 31st March 1999?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

The position with regard to the Objective 2 1997-1999 Programme funds as at 31st March 1999 is as follows:-

Of the original allocation of monies, £53,763 has been spent on ERDF and £235,627 (to 31st December 1998) on ESF. However, committed funds total £1,374,010 on ERDF and £400,424 on ESF for approved projects.

This leaves the following balance of uncommitted funds:-

European Regional Development Fund (ERDF)	£1,820,990.00
European Social Fund (ESF)	£178,949.00

SUPPLEMENTARY TO QUESTION NO. 468 OF 1999

HON J J BOSSANO

These ESF funds are independent of the normal ESF funding that was available before the regional programme in fact. Is that correct?

HON P C MONTEGRIFFO

These are the ESF funds available as the component of the Objective 2 Scheme. I think there are others apart from the ESF which are not included there as indeed there are ESF funds in the Konver Programme for example.

HON J J BOSSANO

The ESF funds that are committed, I can understand the commitment on the ones that go to investment in fixed assets but how is the ESF fund committed when the ESF funds are on the labour side?

HON P C MONTEGRIFFO

I cannot give him the details of that but I suppose it would be for example training commitments. We are talking about Cammell Laird, there would probably be training commitments in areas such as that, where there is ESF expenditure earmarked and therefore committed for a programme of training over a number of years. So it would be expenditure of the type, training expenditure (which is already contracted for want of a better expression, or committed) and I am happy to give the hon Member a breakdown if he wishes.

HON J J BOSSANO

If that is for ESF funding it seems quite a large amount, given that it is not capital, to already have a commitment unless, as the Minister says, what we are talking about is something that is spreading over a number of years into the future.

HON P C MONTEGRIFFO

I am sure that must be the case. Training in the various projects and benefit from the ESF where there is a programme set out for a number of years and which funding has been set aside for. But I will write to the hon Member and set those details out for him.

NO. 469 OF 1999

THE HON A J ISOLA

KONVER FUND.

Can Government state what is the balance of unused Konver 1995-1999 Programme Funds as at 31st March 1999?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

The position with regard to the Konver 1995-1999 Programme funds as at 31st March 1999 is as follows:

Of the original allocation of monies £264,606 has been spent on ERDF and £40,500 (to 31st December 1998) on ESF. However, committed funds total £1,533,170 on ERDF and £125,000 on ESF for approved projects.

This leaves the following balance of uncommitted funds:-

European Regional Development Fund (ERDF)	£1,148,830.00
European Social Fund (ESF)	£279,500.00

SUPPLEMENTARY TO QUESTION NO. 469 OF 1999

HON A J ISOLA

Am I right in saying in this as indeed in the previous two relating to the Interreg and the Objective 2, funds that are committed and not spent, can one roll over beyond the programme of 1999 funds that have been committed?

HON P C MONTEGRIFFO

There is a distinction between committing and spending. The relevant time scales are monies must be committed by the end of December this year for all the programmes we have now been discussing and money has to be spent by the end of December 2002. So it is also possible to seek consent if one is going to go beyond 2002 for the expenditure to take place some time thereafter but one is then stretching the parameters of the programme as originally devised. The first and more pressing deadline, if one must put it that way, is December 1999 and the commitment that has to be entered into in respect of specific projects to make sure that the funds are utilised properly.

HON J J BOSSANO

If in fact the funds are not committed before 1999 and there is a subsequent programme, can they be rolled over into the next programme or not?

HON P C MONTEGRIFFO

Not unless there is specific consent given to it. I do not think they will roll into the next programme, I think there would be an extension of the existing programme. I think what would happen is that if a case was made for whatever reason, either the

commitment could not be entered into or the expenditure not made within these time scales, he could then seek an extension of time for that programme. I do not think that I speak with an element of ignorance of this but one would roll over into a new programme, I think new programmes would be funded quite separately and would not benefit from roll over of funds from previous programmes.

HON CHIEF MINISTER

The hon Member should be aware that what he calls the next programme is actually Agenda 2000 about which he will have read. Those are very different, the criteria for Objective 2 has changed, it is very unlikely that Gibraltar will qualify for the new Objective 2 criteria, which is now that ones GDP must be less than 75 per cent of the community average. It is no longer unemployment statistic based, it is GDP based but there is not really a next programme of the sort that we have been able to benefit from in the past, this is presently under negotiation between Ministers. It was dealt with at the Berlin Summit, EU Summit at Council and therefore the next programme is actually very different as far as Gibraltar is concerned from this one.

HON J J BOSSANO

If we stop calculating the GDP it is going to be very difficult to prove we are at 75 on the other percentage of the community average. But has Gibraltar actually asked to be included?

HON CHIEF MINISTER

The new scheme is not a question of asking to be included. The Community publishes criteria for who qualifies for Objective 1, who qualifies for Objective 2 and the criteria has changed. That is the question of which of the new programmes will Gibraltar fit into. From our initial analysis of the situation it seems unlikely that we will qualify for anything other than employment and training related programmes.

HON J J BOSSANO

I do not know how radically this thing has changed but my recollection of it is that in fact we made a case for being included within the United Kingdom, in competition with other people in the United Kingdom, not in competition with the whole of Europe. Is that no longer the case?

HON CHIEF MINISTER

Yes it is the case. But the criteria of national eligibility has changed and therefore the criteria that has to be met before one can access any of the UK quotas has changed. If the hon Member has not seen the papers I will happily send him the Presidency statement following the Berlin Council and this was published a few weeks ago, at which the new programmes were clearly set out and established together with the criteria and indeed the amount of EU resources that would be available within each of the re-defined objectives.

HON J J BOSSANO

In that context it is difficult to relate it to what the Minister has said about GDP. Because presumably in the United Kingdom they are not going to be producing the GDP of Liverpool or the GDP of Yorkshire, and at the time that we managed to get Objective 2, it was us lobbying the United Kingdom and other regions in the United Kingdom lobbying to be included. In fact, as I recall, some people in areas that stayed out took it quite badly that Gibraltar had been put in as it were at their expense because the share of the money going to the UK from the Community did not alter

because it came to us instead of going to the Midlands or whatever. Now, in terms of GDP presumably it is the GDP of the United Kingdom, not of a region in the United Kingdom.

HON CHIEF MINISTER

I do not know. I do not know what the answer to that is. The main difference between the definition of the Objective 2 criteria now to before is that whereas before it was unemployment rate based it is now based on GDP compared to the Community average. How that is going to work in its application is in the small print, which is not included in the Presidency statement which I have seen.

NO. 470 OF 1999

THE HON A J ISOLA

NUMBER OF COMPANIES INCORPORATED/REMOVED.

Can Government say how many companies have been incorporated in the Financial Year 1998/1999 and how many have been removed from the register in the same period?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

Three thousand, nine hundred and seventy-two companies were incorporated in the Financial Year 1998/1999. One thousand, six hundred and ninety-two have been removed from the register in the same period.

SUPPLEMENTARY TO QUESTION NO. 470 OF 1999

HON J J BOSSANO

The removal of the companies, is that on the initiative of the people who manage these companies who have not registered or is there any system for removing companies that no longer appear to be functioning because they do not make annual returns? We keep on seeing this figure of 50,000 companies being registered in Gibraltar which seems to have no connection with reality.

HON P C MONTEGRIFFO

The companies that have been removed are 1,479 which have been struck off and 213 liquidated. Much of these are moves on the company's initiative or clients. There is interest however, in removing, perhaps at the initiative of Companies House, dormant companies, a large number of Gibraltar companies that are dormant in the sense of clearly not being used, not filing returns, not paying their dues to the Companies House etcetera, which tends to distort the number of companies that Gibraltar is said to have when publicity is drawn to this issue. The problem involves cost as well, I mean there are powers now that the Registrar of Companies has to remove companies that are dormant, but there is cost involved in the process. There is notice to be given to directors, the registered office has to be contacted, time scales to go through, and the Government are considering actually a number of options to address the issue. We do think there is value in removing dormant companies and thereby reduce the headline figure of companies allegedly operating from Gibraltar.

HON CHIEF MINISTER

Could I just add in answer to the point that the hon Member made, the headline figure which the Spaniards use is not addressed by this issue, because it is a product of the fact that our company numbering system is cumulative. So when a company is struck off, even if a company is struck off, the number is not re-used and therefore even if we strike off 30,000 companies, we will still be on number 70,036, which is the one that the Spanish press get hold of to use. We could only eliminate that, if indeed it were thought necessary, I have never felt a need to do, it would be necessary first to strike out and then to renumber and issue active companies with certificates of incorporation with a new number and I think that would be unnecessary, cumbersome and costly.

NO. 471 OF 1999

THE HON A J ISOLA

FINANCIAL SERVICES DEVELOPMENT DIRECTOR.

Have Government initiated the selection process for the new Financial Services Development Director?

ANSWER

THE HON THE MINISTER FOR TRADE AND INDUSTRY

The Government have initiated the selection process for the post of Financial Services Development Director.

The first part of this process is to verify whether there is mileage in renewing the present arrangements with the current holder of the post. Pending these discussions an advertisement seeking a successor has been deferred.

The Government are giving due priority to the issue. If it were to be the case that a successor to the current post holder is required, the Government are confident that a smooth handover will be possible, thereby minimising any disruption to the workings of the Gibraltar Finance Centre and its dealings with the industry.

SUPPLEMENTARY TO QUESTION NO. 471 OF 1999

HON A J ISOLA

In answer to Question No. 192 of this year, the Minister informed me that in fact the advertising would commence shortly I think is the word he used. What has led to that change in strategy or policy of thinking on the part of the Government?

HON P C MONTEGRIFFO

This is just an appreciation of the fact that there is a general feeling among the industry that the current incumbent has done a useful job and that therefore there is interest in trying to renew that position. Also the fact that he has indicated to the Government that there would be a smooth handover, therefore the expiry of his contract, which is June this year, is not a deadline which would leave a gap if a successor became necessary. I feel those circumstances have motivated the deferral or the holding back of the advertisement for longer than had been anticipated. We have, within the Government, considered the possible localisation of the job, we have investigated that possibility as well and that is not an easy matter either. So it is an important decision, there is not a lot of time left before the end of June and we are giving it priority and hopefully, one way or the other, fairly soon, will be able to either announce that the current post holder will remain in place or that advertisements will issue and arrangements will be ensured for the smooth handover.

HON A J ISOLA

Is the Minister saying that the re-thinking in terms of requesting the current incumbent to extend his term is industry-driven. Is it something that the Finance Centre industry has requested that has led to this or is it something that has been put out by the sector?

HON P C MONTEGRIFFO

We obviously consult the industry extensively. The issue of the successor to the current post holder has been a matter that has been discussed extensively with the industry over the last six months and therefore we have a good feel for the views of important players in the market. Similarly, the current holder's perception of whether the job is half done or fully done or three quarters done is now sharper in focus and the Government have a choice. It has the choice to bring about a renewal of this position or to seek a successor. We just find ourselves at the point of decision but with the comfort that there will not be a gap which will prejudice the workings of the office.

HON A J ISOLA

I do not quite understand, over the last six months the Minister has said there has been consultation with the sector, I do not understand how in February or March of this year I am told that a decision has been taken but the incumbent has agreed to stay on for a short term to assist in the hand over basically, which I think is perfectly sensible, and then now there seems to be a change. The reason for the question is basically that I had not seen an advert, nobody has raised the question of the advert, and I therefore put the question. I do not quite understand how that change has come about, that is the simple essence of the question.

HON P C MONTEGRIFFO

I think there was the presumption there was the assumption that he would be leaving. The prospect of his possibly staying is relatively new, the industry's own views have been gathering crescendo as the expiry of the contract has approached and the Government have thought it reasonable to defer advertising the post until we can dispense with this option that might or might not come to something. But of course, what would have worried us would have been the gap, but safe in the knowledge that that matter can be handled, all we are talking about is if there is a new incumbent to come in on 1st July or they will come in on 1st September, 1st October or whenever the advertising process would take that to.

HON J J BOSSANO

If it is decided to renew the contract, would it be another 3 year contract or would it be shorter?

HON P C MONTEGRIFFO

The contract was in fact for 2 years and not 3 years. The contract was a 2 year contract. We have not discussed the terms to that detail with the post holder and I have my personal views but the original contract was meant to be one which would get certain things done. There is perhaps the view that there is more time needed to get these things done and I know from a personal point of view he feels that perhaps he has a role to play in that but these are matters under discussion and it would be improper for me to enter into the details of the discussions which are still in the process of taking place.

HON J J BOSSANO

So it could be an extension of one year and not another 2 year contract.

HON P C MONTEGRIFFO

It is possible yes. I would doubt frankly whether it would be a year because from the pure career path aspect and from the Government's own position, to renew for such a short time would mean to defer what is an important decision for another year for no good reason. Frankly my own personal view would be that it would be either a two or three year contract or a completely new person so as to give us an element of continuity which is important. Frankly a person coming in for short periods of time or holding on for short periods of time does not give me enough stability to engage properly in any particular task.

NO. 472 OF 1999

THE HON DR J J GARCIA

IMPORTS - BUILDING MATERIALS.

What was the value of building materials imported in the period October 1998 to March 1999 and the amount of import duty paid?

ANSWER

THE HON THE CHIEF MINISTER

The value of building materials imported in the period October 1998 to March 1999 was £3.6 million. The amount of import duty paid was £96,124.54.

SUPPLEMENTARY TO QUESTION NO. 472 OF 1999

HON DR J J GARCIA

Can we just clarify the original figure, was it £16 million?

HON CHIEF MINISTER

It is £3.6 million according to Customs.

HON J J BOSSANO

Perhaps the Chief Minister can confirm that the ratio of the £96,000 to £3.6 million is still indicative of the fact that a proportion of these building materials are for on-going projects which are not paying duty.

HON CHIEF MINISTER

Indeed. I can tell the hon Member that the ratio that he refers to is 2.7 per cent whereas the rate of duty is higher than that and this clearly suggests that a substantial part of the £3.6 million of imports were for duty-exempt projects.

HON J J BOSSANO

Have the Government in fact been monitoring at all the effect of the duty on building materials? I think they said they were going to do it when they first introduced it.

HON CHIEF MINISTER

No, the Government have not monitored the effects.

NO. 473 OF 1999

THE HON DR J J GARCIA

IMPORT DUTY - REVIEW.

At what stage is the Government's review of Import Duties?

ANSWER

THE HON THE CHIEF MINISTER

The Government are not conducting a review of Import Duties.

SUPPLEMENTARY TO QUESTION NO. 473 OF 1999

HON DR J J GARCIA

In his Budget Speech last year the Chief Minister indicated that there would be a continued and cautious use of the import duty system to promote local trade. Also in answer to a question in March he also indicated that the Government were considering expanding the items in which duty had been reduced to include new items, that is what was meant by review in this question.

HON CHIEF MINISTER

Well yes, that is the extent of what the Government are looking at in relation to import duty and it is nothing like the review we conducted of rates. I think in fact it was at the last question and answers in the House that I indicated that we were considering the possibility of extending the regime that we now have for motor cars to one or two other types of goods and that those are now under consideration and it is possible that an announcement may be made shortly on that.

HON DR J J GARCIA

I obviously take it that the Government are not monitoring the effects of its previous import duty restructure and that the problems with the computer that was supposed to identify particular items has now been resolved.

HON CHIEF MINISTER

Indeed. The Government are not monitoring the way that the previous review is operating. We are assuming that the effect of the import duty reductions that were introduced are either making goods more competitive or if they have not been passed on to the consumer, that they are addressing the high level of business costs which the hon Member appears to be so concerned to highlight.

HON DR J J GARCIA

It seems rather peculiar to base an economic policy or to have an economic policy objective and then not monitor its effects. When the Government originally announced its import duty review, the one which reduced duty on a selected number of items, the aim was indeed given that it was intended to stimulate the quality end of the tourist market by reducing duty on some items and eliminating completely on others. So really

what the Government are saying is that they have absolutely no idea whether this is working or not.

HON CHIEF MINISTER

Well, what is becoming increasingly clear is that the hon Gentleman has got certain supplementaries scribbled down on a piece of paper in front of him and that he is determined to read them out regardless of what is the thing that has just been said immediately before he does so. That is what is becoming increasingly clear. I have just told the hon Member that what the Government have done is assuming that either the effect of import duty reductions is being passed on in terms to the consumer in terms of price cuts or the benefit of it is being kept by the traders in their profit margins and that this will be in effect an assistance to the private sector, which the hon Member keeps on telling us we should do so much more to assist. Whether it is one or whether it is the other the Government regards it as positive. The hon Gentleman appears to be under the notion that the Government having changed the rate of import duty is somehow required, in order for its economic policy to be prudent and sensible, to keep the effects of it under review. Well look, the last time import duty rates were adjusted before we adjusted them was 15 years ago. I do not know if the Opposition Members, certainly not him because he was not in a position to do so, but I do not know if as part of a prudent and sensible economic policy the gentlemen of with whom he is now politically associated on that side of the House used to on a regular basis, keep the then current rates of import duty under review. Governments do things for a particular reason, they are either satisfied that it is proving positive and then just moves on to other measures.

HON DR J J GARCIA

It is not a case of reading supplementaries which one has written down. It is a case of being absolutely sure that the Government should conduct its economic affairs in such a shambolic manner. Really the point which I want to make is that the Government stated it intended to produce an economic measure for a specific purpose but they have no idea whether the purpose is being fulfilled or not. That the trade described it as a great disappointment in that it was selective, that the effects on the small business sector has been that a few have benefitted, in other words it has not, even though accepting the point that prices may not have come down and accepting the points that it is an indirect form of assistance to be able to sell cameras or nappies or whatever. But the fact of the matter is that it was selective and there are many traders who are not affected. The majority of traders who deal in other goods are not affected at all and worst still, as the Chief Minister has said, it is not going to be reflected in a reduction in prices in shops to encourage tourism which was the original economic objective of the Government. So, the plain fact is that it was a measure that was intended to address a problem and that it is not addressing the problem and that is something that if it is assisting those businesses which are now not paying duty or paying less, obviously it must be because they are paying less or not paying anything at all, the fact is that the majority of small businesses remain unaffected by the measure.

HON J J BOSSANO

Does the Chief Minister remember that when he addressed the Chamber of Commerce in the Rock Hotel it was he who in fact set down the criteria by saying that if in fact this did not lead to a stimulus by being passed on, and he went on to say "and did not result in creating jobs for Gibraltarians" then it would have been a waste of time. Is it that he does not remember having said that, because that is what he said when he introduced it.

HON CHIEF MINISTER

I do remember part of it. I remember the part about the Government wanting it to be passed on in price reductions in order to make Gibraltar more competitive. I do not remember the bit about jobs for the Gibraltarians although that also would be a most desirable side effect.

HON J J BOSSANO

So it would not be unreasonable that the Government would want to know whether in fact it has achieved what it set out to do.

HON CHIEF MINISTER

No, I do not share that view at all. Are the hon Members saying that for the reasons that they are now supposing that this has not been a success, are they suggesting that we should reverse it and increase import duty if it has not been passed on to the consumer which was the Government's intention? Are the hon Members say between 2 o'clock and 4 o'clock going to argue in favour of measures to help small businesses and then between 4 and 8 o'clock going to argue in favour of measures which reverse whatever measure of assistance to the small business has already been delivered?

HON J J BOSSANO

We are not here to either tell the Government what to do or anything of that kind. What we are saying is that since we are monitoring what the Government are doing, irrespective of whether it is good, bad or indifferent, that is what our job consists of in this House as it was his before, then in looking at the effectiveness of a particular measure we have looked at what the Government set itself as an objective. We have asked them whether they know if they have achieved the objective or not. It is clear that because they do not know they have decided that in fact even if it does not achieve what were the highly commendable objectives of stimulus of trade and creation of jobs, even it does not have that result it does not really matter. So that the original assessment which was made not by us but by them, that it would be a waste of time if it did not do that is no longer a view. They are not my words Mr Speaker, he is the one that told the business community that if they did not do that then the Government would have been wasting its time in providing that assistance.

HON CHIEF MINISTER

Certainly in respect of motor vehicles I can tell the hon Member that I have recently seen statistics which show that the policy was a great success. Certainly it had entirely the intended effect. In respect of other matters the Government have not got any empirical data except that traders in certain industries, where the import duty has been substantially reduced, things like perfume, say that they think it has had a positive effect but because the effect of price reductions resulting from import duty reductions have got to be netted off against the contrary effects of the rising pound, against the fact that fewer people are coming across the border because of the border queues but there has not been a static period against which the effects of the import duty reduced specifically could have been measured. Therefore I accept that the hon Members' job is to monitor the Government and I thoroughly encourage them to do so. But the fact that their job is to monitor the Government must not be confused with them thinking that it is the Government's job to monitor the effect of things which were done nearly 18 months ago now. Because frankly the Government have no intention of reversing what it did whether or not they have been successful. As the Government have no intention of reversing what it did by reference to its level of success, it seems to me a thorough waste of time to try and monitor that fact.

NO. 474 OF 1999THE HON DR J J GARCIA**DIPUTACION DE CADIZ.**

Are Government involved in discussions with the Diputacion de Cadiz with the intention of making a joint submission for funds to the European Union on matters involving tourism?

ANSWERTHE HON THE CHIEF MINISTER

No such discussions have taken place so far.

SUPPLEMENTARY TO QUESTION NO. 474 OF 1999

HON DR J J GARCIA

The Chief Minister indicated in answer to questions earlier that although an announcement was made at the time that technical committees were being set up on a number of issues, that they had not yet been set up or that it had not actually happened. Can the Chief Minister indicate then first whether these committees will in fact be set up with the Diputacion de Cadiz and secondly, if they are set up what their terms of reference will be.

HON CHIEF MINISTER

There has been no discussion and therefore I can not tell him on what issues technical committees will be set up. It is envisaged or at least it is assumed that technical committees of one sort or other will be set up to take cooperation forward but neither the form that those committees will take nor the subject matters that they will be formed to discuss have been discussed at all yet.

HON DR J J GARCIA

The only reason for asking that supplementary was because it was actually attributed to comments made either by the Chief Minister or by the Chairman or the President of the Diputacion de Cadiz at a press conference held in Cadiz at that time. So really, given the answer, there is very little more that can be said other than perhaps the Chief Minister can illuminate us in respect of what areas does the Diputacion have the power to deliver in any case.

HON CHIEF MINISTER

The Diputacion de Cadiz is not an organisation that has functional competences. It is an organisation that receives money from certain sources of taxation and it is charged with distributing it to local municipalities for them to do their functions. However, it is also true (and that is their legal function, their constitutional functions) that the municipalities in certain provinces have got together and have voluntarily pooled some of their functions and decided to have them done by the Diputacion, and there are several of these that are of potential interest but those discussions have not yet began and I therefore think it is pointless for us to speculate on them. They certainly have indicated to me that they have competences in matters of tourism, that

they have certain competences in matters of trade development and things of that sort but as to what specifically is their role in those areas it is not yet clear.

HON J J BOSSANO

Is there an agreement on a follow up on a programme or meetings that are already planned to take place or anything like that, or is it simply in the air and nothing is clear? Is it the case that nothing may happen?

HON CHIEF MINISTER

No it is unlikely that nothing will happen but certainly in the short number of weeks that has elapsed since we entered into the global agreement to sit down and discuss and try and agree on things that we can do together. No detailed discussions have taken place, it was not envisaged the process would start immediately and it is now a question of establishing contact following that initial meeting to take the examination of the possibilities further.

HON J J BOSSANO

That was not my question, I was looking forwards and not backwards. My question was is there a sort of a date or a programme of what is going to happen between now and the end of the year, is there anything agreed on any kind of time scale?

HON CHIEF MINISTER

No Mr Speaker.

NO. 475 OF 1999

THE HON DR J J GARCIA

MINISTERIAL TRAVELS.

Can the Government explain whether any of its ministers conduct non-Government business during ministerial travels?

ANSWER

THE HON THE CHIEF MINISTER

All expenses borne by the tax-payer derive from and are attributable to the conduct of Government business.

SUPPLEMENTARY TO QUESTION NO. 475 OF 1999

HON DR J J GARCIA

The Chief Minister will recall in December when Ministers increased their own salaries that a great fuss or issue was made at the time that this increase (which was quite shameful really and a self-given increase of over 50 per cent) the Chief Minister indicated at the time that this represented full time pay for full time work. So really the person who has made, it is the Government who has made this an issue. So really, in April the Minister for Tourism told this House that he went to London representing a private company to conduct private business interests. Can the Government say whether this practice continues or are all Ministers full-time Ministers dedicated only to the serving the interests of the people of Gibraltar?

HON CHIEF MINISTER

I do not know the fact that the hon Gentleman has described as shameful, the increases which were implemented by the Government. I do not know whether the fact that he has described them as shameful means that he has been not accepting the benefit of the increase to £15,000 of the salary that he is now receiving and I suppose that he will be only accepting the Opposition Member salary that appertained to the salary structure before the Government did such a shameful thing. Because certainly he cannot be as hypocritical as to criticise the procedures used by the Government and the fact that the salaries have been increased but then keep the benefit for himself of the fruits of that shameful procedure. Now that is the first point that I would like to point out to him. The hon Member appears not to know the distinction between full-time and dedicated only. Every member of the Government is full-time in the sense that they put more than a full working day's time into the conduct of public affairs. Therefore, since full-time means that one devotes a full working day to a particular activity I can tell him that there is no Member of the Government that does not do that. What I can also tell the hon Member is that frankly, let me tell him this clearly, considering that he as a member of the Opposition comes to this House occasionally and is being paid £15,000 to do what he does on the occasions that he does it, I still believe that Ministers by comparison are under-paid.

HON DR J J GARCIA

The Chief Minister's reply is completely irrelevant and is also unnecessarily vicious and poisonous. The person who has made this an issue is him and nobody else.

When we talk about political hypocrisy I think we need to make sure that people in glass houses do not throw stones. On the point of the £15,000 I think it has already been made clear generally that this side of the House in Government intends to reduce the salary back to what they were at the previous level and commission an independent review which is what the Government should have done in the first place. On the point of actually earning £15,000 after doing it seven years for free, I think the commitment speaks for itself. However, the Chief Minister has failed to address the real issue. In July 1997 for example he must be aware of the many reports into standards of public life published by the House of Commons, and many investigations, the many issues of that nature which surrounded the problems with John Major's government and indeed which have continued into the new administration. In July 1997 the Prime Minister published a code of conduct for Ministers. It warned Ministers to scrupulously avoid any danger of an action or even an apparent conflict of interest between their ministerial position and their private financial interests. Are the Government satisfied that that position is being maintained and being kept also here in Gibraltar?

HON CHIEF MINISTER

No the Government do not slavishly follow whatever is the practice in the United Kingdom but I can tell him that the Government are now satisfied that the ethical standards of this Government are beyond reproach.

HON J J BOSSANO

Mr Speaker the Chief Minister has had a question put to him and is perfectly entitled to defend himself without insinuations or aspersions being cast at anybody else. This Government now, what does he mean? Because if he wants to question my ethical standards then once and for all Mr Speaker, he should stop protecting himself by the Rules of this House and do it out there where we will not have any protection. I have had enough of it.

HON CHIEF MINISTER

I really do not care what the hon Member has had enough of and nor does it matter except to him. The fact of the matter is that he can sit there if he wants to and suggest that his new lieutenant is not making political aspersions on the ethics of Ministers, he has named one. It is the height of complete hypocrisy and barefaced lack of courage on the hon questioner Dr Garcia's part, to pretend that the purpose of the speech that he has made under the guise of a question was not to give the impression to listeners that there is less than complete adherence to acceptable ethical standards on the part of the Government. The hon Member may now wish to pretend that we have been unnecessarily aggressive but the hon Member is responsible for the natural consequences of his insinuations and he cannot stand there reading his list of prepared adjectives and then expect the Government not to react in accordance with the natural consequences of what he has said. Look, I can tell the hon original questioner Dr Garcia that the Government have no intention of reversing the pay increases because the Government are entirely satisfied with the propriety of those increases and the way in which they have been introduced. It is not particularly attractive to hear the word political hypocrisy on the lips of the Hon Dr Garcia. Because let him not forget when he bandies about in this House the words political hypocrisy that he is sitting immediately to the left-hand side, indeed he owes his presence in this House to the fact that the party with whom he has now become inextricably aligned did not field a candidate in order to be able to allow him to be elected, which would not have otherwise occurred. Those facts occurred notwithstanding the fact that three short years ago he sat in front of this community and tore up their election manifesto as being, and I quote him "a load of rubbish". So look, the hon Member can, and we can all participate in the political cut and thrust of

things but I think of all the Opposition Members, the one that should be most careful about making allegations of political hypocrisy is him.

HON J J BOSSANO

If I can bring the Chief Minister back to the original question. Is in fact the answer that he gave to the original question an indication that when the level of salaries were raised as they were on the basis that Ministers were going to be full-time, it did not mean that they could not engage in private business activity.

HON CHIEF MINISTER

It was not the intention of the Government that in exchange for a pay rise, Ministers should divorce themselves or alienate their private family commercial interests which do not conflict with their duties and functions as Ministers. That has always been the case in Gibraltar. The hon Members happen to have no commercial interests, I am very sorry that that was so, but I am sure had they had them, they would not have alienated them just as no Government in Gibraltar since 1969 has done so.

HON J J BOSSANO

I accept that that is the case. But that is the case before the salaries were reviewed independent of any criteria that had applied to any previous Government and the reason that was given at the time, of all the things the Chief Minister said surely about the calibre of people, the attraction of people, the fact that being in Government or in politics was not a matter of vocation or I cannot remember the word, romantic notions but it was a job like any other job that had to be done and one had to pay the rate for the job. In all those things that he was saying, these were not the kind of things that governments previous to this one have applied, and it is true that (I can tell him if he cares to check that it was true) that when in the past the Government previous to ours, the AACR, looked at the possibility of substantial salary increases, they looked at it on the basis that it would be an option so that those who had no other income would work full time, as was the case with persons like Adolfo Canepa who gave up his teaching job to be in the House, and those who had an interest and wanted to retain, for very valid reasons in a small community, where you may be in the House either through choice or simply because the electorate do not put one back, you cannot expect somebody to say well for four years I am going to pack up my business and then hope that I can re-open it if I do not get re-elected or I decide that public life is not what I want to do. We ought to be able to discuss these things intelligently but I can certainly tell him that the impression that he created was that the level of salaries was such that it would not be necessary for people to become involved in anything else. Can he not confirm that in fact it is the case that persons who come from earning their living in the background that he was in, the legal profession, are expected not to continue to run a legal profession and be in Government, is that not the case, that is my understanding?

HON CHIEF MINISTER

Yes, but by application of rules of my profession not by application of rules of ethics or rules of the law of the land. The Bar Council, the Bar Rules, preclude anyone who is engaged with the Executive in Government, anybody holding ministerial office, from practising at the Bar. That is an industry rule it is not a political rule. I do not think I said anything that would have entitled the hon Member to form the view that I was giving the impression that the consequence of the pay rise would be exclusivity but I can tell the hon Member, because he continues to use the phrase full-time in different senses, every Minister in this Government is full-time. Indeed, every Minister in this Government works more hours than what would be regarded a full-time, full day's job in any other walk of life in this community. That is what I think the electorate is entitled

to expect for the salaries that we are now getting, although they were also getting it before with the salaries that we were getting before. In other words, full-time in the sense that one works a full working day plus. There is no Minister in the Government that does not satisfy those criteria. Whilst I am very happy, notwithstanding the lateness of the hour, to discuss this aspect with the hon Members, I would like just to remind them that the original question was not about Ministerial salaries but whether any of the Ministers of the Government conduct non-Government business during Ministerial travels. In other words, when we go away, do we do our own business. That was the question that was asked and I have to confess that I do occasionally pop into Boots to buy tights and things for my wife.

NO. 476 OF 1999

THE HON DR J J GARCIA

CASEMATES PROJECT.

Can Government say how many persons, companies or organisations have expressed an interest in the new commercial units at Casemates and for what purposes?

ANSWER

THE HON THE CHIEF MINISTER

The responses to the Government's invitation to register an interest in commercial premises at Casemates are presently being analysed and Government will make a statement in due course.

SUPPLEMENTARY TO QUESTION NO. 476 OF 1999

HON DR J GARCIA

Can the Chief Minister perhaps explain why they departed from the normal tender procedure in such cases in the sense that one needs to submit ones outline first and then participate in the formal tender?

HON CHIEF MINISTER

There has been no departure from the normal tender procedure. Indeed the normal tender procedure has not yet commenced. I think the advertisement made that perfectly clear that there would be a tender process in July, this was a registration of interest, an indication of interest, so that the Government could be clear about the sort of businesses that wanted to relocate there so that we could take that into consideration (a) when the fitting out of the premises were going to be done, make sure that for example enough of them were fitted out as restaurants given the demand that there was likely to be, and secondly, that we could form a view about a desirable business mix. The Government are not willing just to let those units to whoever can pay the highest rent because the Government have a concept of what it wants Casemates Square to be. An important part of that concept is to decide what sorts of businesses it wants to be located there. For those reasons the Government decided to get some sort of feedback prior to the tender process. I can tell the hon Member that I think from memory, there are well in excess of over 100 expressions of interest, businesses have registered an interest to bid for the units when the tender process begins.

HON J C PEREZ

Could the Chief Minister confirm whether separate to the units that the Government have said will become available, a unit has been made available in negotiation with the market in the Piazza and that that does not form part of the same scheme, that has already been agreed and allocated. If so, I presume that that is the trade licence that has appeared recently in connection with Casemates.

HON CHIEF MINISTER

No. Well I do not know what the trade licence that the hon Member is referring to. If one has appeared by the street market association, I will refer to what the other one might be in just a moment. The House may have seen the plans that the people were invited to come and collect of the units and the distribution at Casemates and one of the units is already shown as being reserved for the street market, which is something that we negotiated through the Minister for Trade and Industry many months ago, as the way of getting the street market out of the Piazza. So they are getting one of the units, I think it is one of the ones adjacent to the tunnel. All the other units are going out to tender. Now I have seen, and I do not know if this is the advertisement that the hon Member is referring to, I have seen a trade licence by one of the Sights Group of companies in respect of changing other activities beyond what they are presently doing in the site. They have got a lease of their existing, I think Sights have got a shop, the glass factory itself and upstairs I think they have got something, but those are subject to user clauses which restrict them I think to things related to glass factory type things, so I am not sure that they will be free to go into other businesses unless the Government were to agree to a change of user, to change the user clause. If there is another, I have not seen it.

HON J C PEREZ

What I wanted to clarify was that it was not one of the units which are still to be put out to tender. It mentions here 1Y and Z Casemates Square. Whether it is those premises or not I would not know.

HON CHIEF MINISTER

I did see that one, the hon Member is right. I did see that and I had intended to follow that up and then it escaped my mind. I think 1X and 1Y Casemates is something completely different, it is something that already exists, I am not sure if it is the kiosks or something else which has always existed in Casemates but he is right, I did see that and I had intended to enquire what that related to. It is not one of the barrack blocks that we are now refurbishing nor any part of the current ground floor of the Health Centre, which are the only two that are in question as far as we are concerned.

HON DR J J GARCIA

Two other points. One complaint that has been raised is the fact that on these documents which one is supposed to collect and which gives the areas of the various units and all that, there is no indication as to prices, whether Government intend to rent or whether it will be some form of lease, whether they will need to buy out the area. Can the Chief Minister shed some light on that matter?

HON CHIEF MINISTER

Well Mr Speaker, it seems everyone goes to complain to the hon Member and nobody comes to complain to the party to which they should come to complain which is the Government. No one has suggested that the time is right for that. Obviously when the tender goes out, the Government will specify the level of rents that it is looking for and indeed perhaps whether it is seeking a premium but to have done so at this stage I think would have been difficult. First of all the Government have not yet formed a view on those issues and secondly, precisely one of the reasons why the Government wanted an indication of the sorts of businesses that were interested in setting up in Casemates was precisely to gauge the sorts of businesses and their ability and likelihood that they would be able to sustain a particular level of rent or premiums. So it certainly would not have been practical notwithstanding complaints,

for Government to have made that information public at this stage, it is not available to be made at any case.

HON DR J J GARCIA

The second point Mr Speaker is perhaps more an area of concern than a complaint as such. That is whether the businesses that will set up there will actually compete directly with those already established in Main Street or whether Government intend to limit the type of business that can be set up within these areas.

HON CHIEF MINISTER

Well Government intend to limit the type so that the product at Casemates Square is the product that Government wants Casemates Square to be. Government does not consider that this is its role to prevent the opening of new businesses so that there is no competition with existing businesses, that would be a matter for example for the Trade Licensing Authority as part of the licensing process. Certainly, we would like to see novel innovative businesses, we would like to see Casemates adding a new dimension to what is already available on Main Street, so certainly we would prefer businesses that represent something new to Gibraltar's retail experience. But having said that, we have not contemplated imposing an absolute bar on any applicant that competes with anybody else which is already established on Main Street.

NO. 477 OF 1999THE HON J L BALDACHINO**ETB - GDC**

Can Government give the number, grade and rate of pay of the employees of the Gibraltar Development Corporation that work at the ETB?

ANSWERTHE HON THE CHIEF MINISTER

Would the hon Member wish me to read it all out or would he be content for me just to hand it over. It is a list of grades and amounts. Basically just so there is something that I can say for the record, for Hansard at least, it goes from grade 1 to 5 and then in terms of services manager and general manager. Those scales go from £7,606 to £28,000.

The number, grade and rate of pay of the employees of the Gibraltar Development Corporation that work at the Employment Service is as follows:-

No.	GRADE	RATE OF PAY P.A.	(SCALE/FIXED POINT)
7	Grade 1	1 @ £7606 1 @ £8081 1 @ £9508 4 @ £10,458	Min £7606-£10458 Max
3	Grade 2	£12,798	Min £9487-£12,798 Max
1	Grade 3	£15,176	Min £11,410-£15,176 Max
3	Grade 4	£19,017	Min £14,738-£19,017 Max
1	Grade 5	£22,537 (fixed point)	Min £22,537-£24,378 Max
1	Int. Serv. Manager	£24,000	3 year contract (fixed salary)
1	General Manager	£28,000	(Fixed Salary)
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SUPPLEMENTARY TO QUESTION NO. 477 OF 1999

HON J L BALDACHINO

The Inter Service Manager, what is it that he does, the accounts?

HON CHIEF MINISTER

I think Int. stands for internal services manager and I think that he is in charge, perhaps the Minister is better placed to, I think he deals (subject to being corrected by him) I think he manages the services that the Employment Service makes available to users to people seeking jobs as opposed to the general manager who manages internally the office. I suppose that they are almost called the opposite of what they each should be.

HON J L BALDACHINO

He is the only one that actually has a contract which runs for 3 years, all the others are permanent, are they, or indefinite?

HON J J NETTO

It is only to do with the internal services manager in that the three year contract is to be reviewed after the three year period but not in relation to the general manager.

HON J L BALDACHINO

All the others are indefinite?

HON J J NETTO

That is correct.

HON J J BOSSANO

The salary shows a minimum and a maximum, are there intermediate points? Is there a scale with intermediate points or there are just two points in the salary.

HON J J NETTO

There are indeed many different notches between the minimum and the maximum yes.

NO. 478 OF 1999

THE HON J J GABAY

THE MOUNT.

Will the Government state whether its plans for the future role of the Mount are still in suspense?

ANSWER

THE HON THE CHIEF MINISTER

As I am sure the hon Member is aware, subsequent to the giving of notice of this question the Government's plans for the future role of the Mount have been announced earlier this week.

SUPPLEMENTARY TO QUESTION NO. 478 OF 1999

HON J J GABAY

The long period of suspense came to an end of course in a rather quick Government press release a couple of days ago that of course pre-empted the reason for this question. So, will the Chief Minister explain why it has taken so long to decide the obvious, that is, the opening of the Mount to the general public.

HON CHIEF MINISTER

First of all, as to the suspense, good news is always worth waiting for and what I can tell the hon Member about the reasons why it has taken so long, what I can tell him is what the reason is not. The reason is not the one quoted in the newspaper of his political party that there has been a terribly long delay whilst the Chief Minister was persuaded not to make it the Chief Minister's residence. Let me say that the Chief Minister has been encouraged by many people to convert the Mount into the Chief Minister's residence and the Chief Minister has never seriously or at all contemplated that possibility from the outset. So, I can tell the hon Member that the reason is not the one that he and his Colleagues in his party would like the electorate to believe. I happen to believe that there ought to be an official residence for the Chief Minister of Gibraltar. I would not choose it myself but perhaps one of my final acts before I judge that I am about to be sacked by the electorate might well be to allocate one for my successor. I think that the Chief Minister of Gibraltar should play a role, in terms of entertainment, in terms of an official residence, like all Heads of Government have in all countries in Europe and that he should have an official residence. As to the positive reasons for the delay, which I suppose is the purpose of the hon Member's supplementary although I am grateful to him for the opportunity to get that off my chest, as to the real reasons for the delay, well it has been a genuine quandary. Obviously it was always very easy to know what to do with the tennis courts, it was always obvious from the outset what was going to be done with the gardens, it was always obvious to us what we were going to do with the reception rooms, they were always going to be for Government entertainment, but it has been a real issue in the Government of what we should do with the others. At different times we have given long and serious consideration to transferring some suitable Government department up there, consideration has been given to transferring the archives up there so that they can be exposed in a more research or visitor friendly

way, and indeed consideration has been given to the purpose that was ultimate when selected, which is the one that has been announced. I am sorry if the hon Member feels that the decision has taken too long for his liking but I hope that now that the decision has been made, notwithstanding the length of time that it has taken, he will approve of it.

HON J J GABAY

I can well understand that he has got the matter off his chest. I am not so sure he may have got it out of his mind. The reason for this is that given his royal aspirations to which I referred in the context of the fishing crisis, would it not have been a reasonable conclusion to come to that he might have wished to convert the Mount to his own personal Versailles palace.

HON CHIEF MINISTER

I can certainly concede it would make a jolly nice Versailles palace for the Chief Minister. As to my royal aspirations, I have found that being the head of an elected Government is a much more fulfilling job and responsibility than any aspirations that I might have to be royalty. But certainly since he detects royal ambitions in me only in relation to the fishing situation, which is a curious sort of compartmentalisation of one's aspirations, let me say that having gone through the negotiations to settle the fishing dispute, I can assure him that it does not take anybody as important and as talented and as influential as a king to come to a perfectly sensible understanding with a few local fishermen.

HON J J GABAY

We shall come to the question of fishing later on. May I ask the Chief Minister, since the Mount is an MOD freehold, whether the MOD actually put any constraints on the actual use of the Mount.

HON CHIEF MINISTER

The MOD had aspirations of which we quickly disallowed them to actually sell the Mount on the basis that it was one of the old so-called freeholds. In the event the Government of Gibraltar made it clear that this would be unacceptable, indeed I think we maintained the same policy decision that the hon Members had adopted in their time in Government. In the event we were able to persuade the MOD to transfer the Mount to the Government of Gibraltar free of payment and of course no payment was made. The only condition that has been placed is that if the Government disposes of any part of the Mount on commercial terms, for commercial development by somebody other than the Government for a public purpose, then the MOD would be entitled to a share on a decreasing scale (decreasing as against time) of the proceeds of that commercial consideration. That is contained in the public deeds referring to the transfer of the Mount.

HON J J GABAY

My final supplementary on this subject is, since I was asked, in some way to congratulate the Chief Minister in opening, well, I assume the Chief Minister took an important role in this. I do congratulate the Government, I feel grateful of course that he has resisted the temptation as advertised in the press, and that he has actually opened the feudal domains. Be that as it may, we are glad to see that the feudal domains have been opened unreservedly to the community.

HON J J BOSSANO

When the MOD originally offered to transfer part of that estate to the Government in 1984 as a result of the Dockyard closure package negotiated by the then Government, there were no constraints put on the use that they could make of it. Was that something in the records that the Government had or that the discussions of the MOD was something they had been aware of.

HON CHIEF MINISTER

I was not aware that there had been an offer back in the 1980s to transfer the Mount. What I can tell the hon Member is that if he was the victim of an increasingly commercially minded MOD in terms of the new regime in England and getting value for money and that sort of thing, the situation has got worse because the Treasury has continued increasingly to put the screws on the Ministry of Defence. The guidelines now for the MOD to extract value from their commercial assets and real estate assets is now very great and the task of resisting the MOD in implementation of that policy in Gibraltar has grown even more difficult than it was in his time on this side of the House but we are determined to hold the position notwithstanding. So I did not know that there was that but times have become even more harder.

HON J J BOSSANO

I think the record of the House will show that an announcement was made in the House in 1984 of the release of land that had gone along with the Queensway Quay and the closure of the Naval Dockyard, the package negotiated at the time included a big chunk of land from the gardens in the Mount which were made available to the Government of Gibraltar for development without conditions, but it never materialised. Can I ask the Government whether in fact the argument that was being used at one time at ministerial level in the United Kingdom that there was some constitutional impediment because of the freehold value, in that they could not dispose of an asset which was freehold without the matter going through Parliamentary appropriation in the United Kingdom, was that still being used? Because if that was being used not just in relation to this particular property but to the other MOD freeholds which presumably have not been resolved.

HON CHIEF MINISTER

Indeed they still have not been resolved. No such argument has been used on this occasion although we were aware that it had been used in the past. From time to time when we discussed the gifting of properties they talk about the very complicated procedures that that requires and of course we were able to point out to them that we are aware what the procedure is and all that is required is for a Treasury minute to be laid in Parliament, which nobody bothers to read, and as happened when the Government of Gibraltar were gifted for example the whole of the North Mole area, the hon Member was in the House at the time. That was a gift without any payment whatsoever and the procedure followed was the tabling, the laying on the table in the Commons of a Treasury minute saying that Government have given away this asset without payment and then somebody comes and puts their cup of coffee on it and nobody ever reads it again. So, we know what the procedures are, they know that we know what the procedures are so there would be little point in them pretending that there was some very complicated matter. The reality of it is that it is Treasury guideline-driven. This is literally pounds shillings and pence and the desire of the Ministry of Defence, egged on by the Treasury, to extract a pound of flesh or to extract monetary value for assets that it surrenders and the hon Member will be happy to know that we continue to maintain the policy position that has prevailed in Gibraltar on that issue I suspect now for quite a long time.

ORAL

NO. 479 OF 1999

THE HON J J GABAY

SIR WILLIAM JACKSON - MEMORIAL.

Will Government consider erecting a statue or a bust of General Sir William Jackson as part of the intended renovation of John Mackintosh Square or at some other suitable site?

ANSWER

THE HON THE CHIEF MINISTER

Government are indeed considering a permanent memorial to Sir William Jackson.

SUPPLEMENTARY TO QUESTION NO. 479 OF 1999

HON J J GABAY

We are very pleased to hear that.

NO. 480 OF 1999

THE HON J J GABAY

MARITIME RADAR.

Will Government state whether the Maritime Radar set up by MOD is simply for defence purposes or is it to assist the Government to keep track on incursions by Spanish fishing boats?

ANSWER

THE HON THE CHIEF MINISTER

I cannot believe that the hon gentleman is reading this question directly out of a newspaper that he has in his hand. This radar, and the answer pre-supposes that he is referring to the radar by what was commonly known as the NATO distillers, this was set up by the Ministry of Defence in order to give it the ability to monitor Gibraltar Territorial Waters on the East Side of the Rock. It is funded from defence funds and is used for military purposes and purposes which are supported by the military.

SUPPLEMENTARY TO QUESTION NO. 480 OF 1999

HON J J GABAY

Since the installation came in the wake of the fishing crisis, is it not reasonable to assume that it was in some way related to the fishing problems?

HON CHIEF MINISTER

The hon Gentleman is free to assume what he pleases. I am afraid I am not in a position to help him assess the accuracy of his assumptions.

HON J J GABAY

Apart from the assumptions, if that is the case, and it could be the case, will the Chief Minister not agree that its futile role will be to monitor intruders that in any case have a right to intrude according to his notorious agreement with the rabble of fishermen.

HON CHIEF MINISTER

Well I have to repeat, since the hon Member thinks that there is political mileage in calling the Spanish fishermen rabble, I have to tell him that with equal confidence repeat my view that I do not consider the fishermen or anybody else to constitute rabble. But having said that, I have to genuinely (and I hope that he accepts it from me) that I have no idea when that radar was established, what that radar was established for, whether it is futile or useful and certainly I am very happy to sit here listening to him and make the assertions that he obviously wishes to make but I really cannot add anything more to the answers that I have given him.

HON J J GABAY

May I ask a supplementary on the use of the word "rabble" which he objects to now and which in fact he identified as strange in the mouth of somebody with socialist credentials.

HON CHIEF MINISTER

I said the opposite. What I have just said is that although he has repeated the adjective "rabble" by reference to the fishermen, what I have just said, I have just said the opposite of what he thinks I have said. What I have just said is that I do not consider the fishermen or anybody else to be rabble.

HON J J GABAY

This is precisely what I am questioning, if I may very briefly. I am really surprised to hear this in the sense that when I used the term previously and have used it again, on the previous occasion he felt that it was strange coming from the mouth of somebody with socialist credentials. So I would like to make one simple point, that is that Massa and his happy band were indeed a rabble, if he cares to ponder on the meaning of the word, it means a disorderly crowd and that is precisely what they were. Those were my words in contrast to the Chief Minister's who described them as gentlemen. But let me just simply add one little point here which is of interest. The meaning of the word has a contaminated pejorative connotation which reflects the class structure in England. It associates in fact disorderly crowds only with the lower elements of the populace. By using the contaminated version of that word all he was doing was really illustrating his own class prejudices. Is that not so?

MR SPEAKER

And briefness means short.

NO. 481 OF 1999THE HON J J GABAY

TERRITORIAL WATERS.

Will Government state what fishing took place by Spanish boats in Gibraltar's waters during the period of prohibition called "paro biologico" (1 March to 30 April 1999)?

ANSWERTHE HON THE CHIEF MINISTER

The Government cannot know of all the occasions on which Spanish fishing boats fish in Gibraltar waters. However, we have details of recorded incursions by Spanish fishing boats into Gibraltar waters. There is no such thing as a "paro biologico" in Gibraltar waters, in other words the laws of Gibraltar do not impose any prohibition based on biological grounds at least. But during the prohibition period known in Spain as the "paro biologico" affecting Spanish territorial waters and fishing boats that are able to be affected by the attitudes of the Spanish law enforcement agencies in relation thereto, there were 31 such instances. Although none by the large vessels which normally fish in Gibraltar waters.

SUPPLEMENTARY TO QUESTION NO. 481 OF 1999

HON J J GABAY

Since the 'paro biologico' in fact was intended as a conservation measure in respect of fish stocks it seemed a rather sensible step to take. Why did the Chief Minister so quickly and so much to the point in a press release make it clear that this does not apply to Gibraltar. Was he in fact concerned about the reaction of the fishermen with whom he had come to a previous agreement?

HON CHIEF MINISTER

No. The Chief Minister has always been driven by the best interests for Gibraltar as he sees them. The Government were motivated by the desire to make it perfectly clear for the public record that the Spanish government should not think that they were at liberty to declare a 'paro biologico' or anything else in respect of Gibraltar waters and that if the Spanish fishermen decided not to come and fish in Gibraltar waters, it is not because there was any 'paro biologico' applicable there but only because they were subject to the writ of their Authorities which they dare not challenge. That was the reason why the Chief Minister put out the statement that he did.

HON J J GABAY

Following upon that, was the Chief Minister not at least partly surprised at the fact that they were stopped by their own government from fishing for two months, although certain financial allowances were made for them, was he not surprised at the meekness of their protest by comparison to the brutality of their protest in Gibraltar. May it not be the case that they felt that we would bend to violence in a way the Spanish government would not?

MR SPEAKER

Next question.

NO. 482 OF 1999THE HON J J GABAY**TERRITORIAL WATERS AND INCURSIONS.**

Will Government list the number of occasions, giving dates and numbers of vessels, on which there have been incursions by Spanish fishing boats into Gibraltar waters during the months of February, March and April 1999?

ANSWERTHE HON THE CHIEF MINISTER

As already explained in answer to Question No. 214 of 1999, the Government cannot know all the occasions on which Spanish fishing boats incur into Gibraltar waters. There are details from the Royal Gibraltar Police of recorded incursions by Spanish fishing boats. The figures up to 17 February were provided in answer to Question No. 214 of 1999. I will now hand the hon Member a list giving the same details in respect of the remainder of the period covered by his question.

Date	Number of Vessels
18.02.99	1
19.02.99	3
20.02.99	2
21.02.99	5
22.02.99	9
23.02.99	7
24.02.99	1
25.02.99	1
26.02.99	1
01.03.99	1
02.03.99	1
04.03.99	2
08.03.99	3
09.03.99	2
10.03.99	2
11.03.99	1
16.03.99	1
17.03.99	2
19.03.99	1
20.03.99	1
22.03.99	1
27.03.99	1
31.03.99	2
01.04.99	1
06.04.99	1
07.04.99	1
08.04.99	1
11.04.99	1
12.04.99	1
13.04.99	1
14.04.99	3
TOTAL	61

SUPPLEMENTARY TO QUESTION NO. 482 OF 1999

HON J J GABAY

Has there been during this period any instance of the Spanish fishing boats fishing illegally in our waters being stopped by the Royal Gibraltar Police, in fact for operating in our waters.

HON CHIEF MINISTER

When there has been a breach of the fishing agreement on which the hon Member thinks so poorly, the Police have intervened to enforce.

HON J J GABAY

I think the Chief Minister should be aware that I was referring to that law that he has described as wretched which is still a valid law in Gibraltar and not to his personal agreement.

HON J J BOSSANO

The implications of that answer is that the Police are now only enforcing the terms of the agreement and that they are not, as was announced at the time, periodically asserting their authority even within the limits that the agreement says people can fish.

HON CHIEF MINISTER

Those two statements are not mutually exclusive. Policing in accordance with the terms of agreement includes enforcing the law even in circumstances where the agreement permits. Now whether the Police have actually done that or not on any occasion I cannot tell him. But the agreement is not that one can fish here and provided one fishes only here or in certain numbers one will never have the law enforced against one. The agreement is in fact the contrary of that.

HON J J BOSSANO

Well can the Chief Minister then obtain the information on that because Opposition Members feel that we ought to have the same opportunity to monitoring now as we were getting before the agreement was done. Particularly when we were being told that this was a restoration of the position that existed between 1991 and 1997, presumably we are entitled to try and satisfy ourselves that that is what is taking place.

HON CHIEF MINISTER

If the hon Member had asked that question, had given notice of that question, I would have had the information available to him. He is as free to seek information from the RGP as I am, whether or not they would feel free to give him all the information that they are willing to give me is a different question. But certainly if he gives me notice of that question I will have no hesitation in obtaining the information and giving it to him in an answer.

HON J J BOSSANO

I will put notice or if indeed the Police are prepared to co-operate in providing the information for us then we will not need to bring it here.

NO. 483 OF 1999

THE HON J J GABAY

OVERSEAS TERRITORIES REPORT.

What is the Government's position on the environmental aspect of the Overseas Territories Report on the issue of fish stocks and the need for regional consensus on such matters?

ANSWER

THE HON THE CHIEF MINISTER

In countries which have a fishing industry the issue of fish stocks raises economic as well as environmental questions. Gibraltar has no fishing industry and therefore only environmental questions arise. The Government attaches importance to the issue of fish stocks on environmental grounds.

SUPPLEMENTARY TO QUESTION NO. 483 OF 1999

HON J J GABAY

Is it not strange that the Chief Minister should make this statement when by casting aside the Nature Protection Ordinance it has underlined in fact all the good work done by the Gibraltar Ornithological and Natural History Society, who actually made it very clear and public that they were signatories under the Nature Protection Ordinance for all sorts of International Conventions and Directives and so on. So how can we say that we are concerned with the protection of the natural environment and at the same time the reality is so different.

HON CHIEF MINISTER

I have never heard it said that concern for the natural environment requires permitting no fishing at all. Conservation of fishing stocks is not normally a matter of total prohibition, it is normally a matter of control of volumes of fishing so that the depletion is not excessive. Therefore I do not share the hon Member's views since we are discussing this on an environmental basis and not on the legalistic basis, upon which we would be in agreement but on environmental basis I do not share the hon Member's view that environmental concern equates with allowing no fishing at all. Otherwise he would be saying that all countries that allow fishing in any degree do not share a concern in respect of the environment. The Government are satisfied that the amount of fishing that goes on in Gibraltar's waters is not causing any more damage to Gibraltar's environmental interests, Gibraltar's environmental interests than might be caused by the element of degree of fishing that is permitted in any other country which has a respect and values heritage considerations. Having said that, whilst the hon Member may wish to disagree with me on the nature from a legalistic point of view of the agreement to which I entered, and of course we will just have to agree to disagree about that, the hon Member should not delude himself from thinking that such depletion or that such environmental vandalism as takes place in his terms, by fishing in our waters, did not commence on 4 February when I signed the fishing agreement. Therefore, to the extent that he regards any amount of fishing to be in breach with what he regards to be the interests of the environment, they were occurring before 4th February it was occurring on 4th February 1999 back to the 16th May 1996 and indeed was occurring before 16th May 1996 right back to 1991 when

the Nature Conservation Ordinance was taking place. The question of whether there is more or less fishing taking place at any given time from 1991 to today's date is another issue which we cannot debate scientifically but fishing has taken place and to the extent that fishing is what worries him, it does not result from the fishing agreement. It results from the violation of the Nature Protection Ordinance which has taken place since the day it was first enacted in this House in 1991.

HON J J GABAY

Would the Chief Minister not agree that the violation as he puts it, has adversely affected most of the conservation measures of the marine reserve in Gibraltar. And I come back to the same point that it has also undermined the signatures attached by GONHS to quite a number of Conventions and so on. So whether we isolated this or the broader pattern of the conservation of the marine environment I think that much of the good work done has been undermined by this particular arrangement entered into by the Chief Minister for reasons totally unassociated of course with the environment, but for political reasons which we have already questioned of course quite fully in the past.

HON CHIEF MINISTER

I have to say to the hon Member sincerely that I do not think it has undermined any good work as he calls it, but I equally hasten to say that even if it had done, even though the Government do attach importance to environmental considerations, everything in life has a priority. The importance of certain issues to the environment have to be put in the case of Gibraltar in the balance with other interests of Gibraltar which may conflict and to which the Government may attach more importance. I do not know whether the hon gentleman has Dr Cortes's environmental work at the very top of his list of issues of importance to Gibraltar whilst I attach importance to Dr Cortes's environmental work, I can tell him that for sure it is not at the very top of my list of priorities of matters of interest to Gibraltar. Therefore if the need came to sacrifice that interest in favour of something which was higher up on my list of priorities for Gibraltar, I would not hesitate to do so.

HON J J GABAY

We are well aware of the reasons for his actions with which we totally disagree, in evaluating the pros and the cons, and again I have no intention of going into that subject again but we still maintain our contention that the step taken by entering the agreement was unconstitutional and so a total disregard for the law. The proper thing would have been to come to this House and repeal the law but not to make a fuss of a law which is supposed to be operative and which has been passed through this House, whatever the priority.

HON CHIEF MINISTER

Is the hon Member recommending that we repeal the law?

HON J J GABAY

No, far from it. That is entirely his prerogative, because the Government are setting a precedent which in our opinion is unconstitutional and is against the principle of the supremacy of the law. I am not the only one to feel that way I can assure the Chief Minister.

HON CHIEF MINISTER

In a country which has rule of law and independent courts, the usual thing to do when a citizen thinks that governments have done things which are unconstitutional, which governments sometimes do unwittingly, is to challenge the government's actions in court. But the hon Member will forgive me if I do not bow to his inferior, to mine at least given that he is not a lawyer by profession, view of what is constitutional and what is not. He does not expect me to share his view that it is unconstitutional simply because he asserts it. That is why we have courts of law. I am assured that what the Government have done is not unconstitutional. I personally do not believe that it is unconstitutional. If the hon Member thinks that it is unconstitutional and is so upset and worried about this, he ought to challenge this in court, this is what our courts are for.

HON J J GABAY

I seriously think that we should consider this and I will give it some thought. I am indeed not a lawyer but en passant I would say that even though I am not I do not confuse two terms which he constantly confuses as being synonymous, legalistic and legal.

NO. 484 OF 1999

THE HON J J GABAY

REGIONAL UNIVERSITY.

Will the Chief Minister state whether anything of practical interest to Gibraltar transpired in his meeting in Cadiz with Dr Brademas, President Emeritus of New York University?

ANSWER

THE HON THE CHIEF MINISTER

During a lunch to which I was invited I met Dr Brademas at La Almoraima, in the Province of Cadiz. During the lunch the issue of a regional university involving Spain, Morocco and Gibraltar was mooted. The opportunity to meet several mayors from the Campo was also of practical interest.

SUPPLEMENTARY TO QUESTION NO. 484 OF 1999

HON J J GABAY

Since the creation of the university in Gibraltar played such an important electoral role in the last manifesto did he take the opportunity of discussing the possibility of a university in Gibraltar.

HON CHIEF MINISTER

No. I thought it impolite, given that I was the guest of the people from Cadiz, to sit at their dinner table trying to persuade this chap to bring his project to Gibraltar. But I will give him his name and address and if the hon Member wishes to write to him and ask him if the University of New York wishes to establish a branch in Gibraltar, he is free to do so.

HON J J GABAY

Would it not be more appropriate for the Chief Minister, I repeat since he had actually included it in the electoral manifesto?

HON CHIEF MINISTER

If I had thought it appropriate to do it I would have done it.

HON J J BOSSANO

Is it that Dr Brademas was looking at the possibility of opening a branch of the New York University in La Almoraima, is that what was happening?

HON CHIEF MINISTER

Dr Brademas was a guest of the Diputacion de Cadiz generally to the Cadiz area and as part of that general visit one of the functions was a lunch that the local mayors from the Mancomunidad to which I was invited. During that lunch the issue of would it not be nice, would it not be good to have a university of Afro-European whatever or the Arab/European connection, would it not be a good idea, to which I concurred. It would be a jolly good idea and that was more or less the extent of the discussion on the matter.

ORAL

NO. 485 OF 1999

THE HON A J ISOLA

IMPORTS.

What was the value of goods imported by sea and land, other than petroleum products, in 1998?

ANSWER

THE HON THE CHIEF MINISTER

By land £193.8 million, by sea £33 million.

NO. 486 OF 1999

THE HON A J ISOLA

RATES - 20% REBATE.

Can Government state what was the total amount of rates paid in the quarters ending 30 September 1998, 31 December 1998 and 31 March 1999 in respect of commercial premises where the 20 per cent rebate was obtained by those paying the rates demanded within 3 months of the due date?

ANSWER

THE HON THE CHIEF MINISTER

The total estimated rates paid in respect of commercial premises which benefited from the 20 per cent discount for the period requested was as follows:

Quarter ended 30 September 1998	£1,152,234
Quarter ended 31 December 1998	£1,148,365
Quarter ended 31 March 1999	£1,202,849

NO. 487 OF 1999

THE HON A J ISOLA

CASEMATES PROJECT.

Are Government proposing to limit the type of activity to be carried out in the new units at Casemates Square and if so what types of activity are intended?

ANSWER

THE HON THE CHIEF MINISTER

I think we have more or less covered this issue, I do not know if the hon Gentleman wants to labour it. It is our intention to limit the type of activity that are carried out at Casemates. We have not yet decided how to limit it but we would like Casemates to be a particular type of commercial area and not just be a straightforward extension of Main Street.

SUPPLEMENTARY TO QUESTION NO. 487 OF 1999

HON A J ISOLA

Are the Government intending, when the properties go out to tender, to limit a type of activity per unit which will give them the global mix that they are looking for?

HON CHIEF MINISTER

Yes, the Government will indicate in the tender process what the activities are for and what it would like established in which particular unit.

NO. 488 OF 1999

THE HON A J ISOLA

BANKING PASSPORTING.

On what date did the UK Government inform the Gibraltar Government that it was possible to apply Community legislation on Banking Passporting by UK secondary legislation under the powers of the 1972 European Communities Act?

ANSWER

THE HON THE CHIEF MINISTER

The UK Government informed the Gibraltar Government that it was possible to extend banking passporting rights to Gibraltar by amending UK secondary legislation on 11 March 1996. At the time, the UK Government said they had a number of conditions regarding supervisory systems and procedures which needed to be put in place to match UK standards.

SUPPLEMENTARY TO QUESTION NO. 488 OF 1999

HON J J BOSSANO

March 1996?

HON CHIEF MINISTER

Yes.

HON J J BOSSANO

They came in on 16 May 1996 after the elections, how did he manage to get told that when he was in Opposition?

HON CHIEF MINISTER

It is evident that it was not we who got the information but he.

HON J J BOSSANO

Can I draw the Chief Minister's attention to the reply that I gave him to Question No. 48 of 1995. When I informed him that the position of the UK Government then, and it had not changed by May 1996, was that the vires to do so did not exist. To refresh his memory of the reply I gave him to Question No. 48 of 1995 if I can just quote the relevant paragraph, I said at the time that the United Kingdom Government told Lord Bethell and myself that because there was no vires, that is to say no power, under section 22 of the 1972 Act to extend Community rights to Gibraltar institutions in the UK because the right was only given to other Member States and Gibraltar was not a Member State, Gibraltar had been left out of the second banking co-ordination regulations which came into effect in December 1992, and that we had sought independent legal advice and given our advice to the United Kingdom Government but the United Kingdom Government position was not changed. So can the Chief Minister say on what basis he has come to the conclusion that the Government of Gibraltar prior to May 1996 had been so informed.

HON CHIEF MINISTER

Yes. On the basis of a letter, a copy of which I had with me but I have mislaid and which I will certainly provide to him for his interest. A letter dated March 1996 which arrived, he may by then have been distracted with other matters and may not have focused on it, and I did have it attached, I do not know if somebody else has copied these and has left it, it was attached in the last file of this that I saw, a copy of that letter was attached to supplementaries but it seems to have disappeared. So I will get a copy of that letter to the hon Member.

HON J J BOSSANO

Is the Chief Minister aware that in March 1999 Ms Quinn in answer to a Parliamentary Question said the opposite.

HON CHIEF MINISTER

No I am not aware. Let us be clear what we are talking about here. We are talking about extending the Banking Passporting regime to the UK, in other words, Gibraltar licensed companies can do business in the UK. If that is what we agree we are talking about the same thing. It is not the position of the United Kingdom Government that cannot be done by secondary legislation, indeed it is the position of the UK Government that it can and will be done by secondary legislation and the question is simply when that legislation is going to be put in place. I do not recall seeing any Parliamentary answer by Ms Quinn to the contrary and I would be very surprised if she had made one. If she had made one I believe she is mistaken and it is not what her officials are saying to us and indeed Treasury officials are saying to us. So perhaps we will exchange a copy of my letter of March 1996 for a copy of the Hansard to which he is referring.

HON J J BOSSANO

In fact I think it was towards the end of March and it was in a question where the answer that was given by Ms Quinn was that certain things needed to be done and that the Banking Act needed amending.

HON CHIEF MINISTER

Indeed. But amendment which can be done by regulation. The hon Member knows that those procedures exist in the United Kingdom. So even if she did say that, and I take the hon Member at his word because I am not conceding that that is what was said, because he is speaking from memory and he does not have the text in front of him, but if that is indeed what she said it does not necessarily mean that it cannot be achieved by secondary legislation.

HON J J BOSSANO

I see. So what the Chief Minister is saying is that the United Kingdom Government can change the Banking Act even though the passporting is not in the Banking Act but in fact the passporting was done by regulation and that the powers of the European Communities Act and not under the powers of the Banking Act.

HON CHIEF MINISTER

Yes. On the generality of the points that he makes indeed the United Kingdom can and often does amend principal primary legislation by subsidiary legislation but if Ms Quinn said what the hon Member says, I think she or whoever drafted the answer for

her unless she said it in a supplementary, is mistaken. Especially if she said that it was in the Banking Act and the hon Member is just saying that it was not in the Banking Act it is in regulations.

HON J J BOSSANO

No. What I am saying is that in 1992 when we were promised that Gibraltar was going to be included, as I explained to him in 1995, the provision to give recognition to credit institutions licensed in other Member States was done under the powers of section 22 of the 1972 European Communities Act. And that the United Kingdom Government at the very last minute in December 1992 claimed to have had top legal advice, which I explained to him in Question No. 48 of 1995, which said that it was impossible for Gibraltar credit institutions to be so treated because the enabling provisions of the 1972 Act limited the power of Ministers to make regulations to their obligation in respect of reciprocal rights with other Member States. Because we were not another Member State this raised an issue which was not unique to banking but the reciprocity of treating each other as if we were separate Member States required independent separate legislation to give effect. To my knowledge, that was the position of the United Kingdom until very recently. Now if the Chief Minister is saying that the position of the United Kingdom changed in March 1996, can he tell me when he discovered that it had changed in March 1996.

HON CHIEF MINISTER

This has not been an issue for the Government. I cannot tell him when that information became an issue, we have only focused on when in preparation for the answer to this question. He may be interested in when these things happened, it is only until recently that we have managed to persuade the UK that we have complied with all the other hurdles for banking passporting. So frankly whether it could be done by primary or subsidiary legislation has not been an issue in our minds. The Treasury has always said to us that it is to be done by subsidiary legislation. The UK Government have never told this Government that it needed primary legislation.

HON J J BOSSANO

Well I am very surprised to hear that because I think that if the Chief Minister cares to check back on the answers that have been given in this House last year, I will find the precise question and provide it to him, I was told by the Minister for Trade and Industry last year that they had recently been successful in persuading the United Kingdom that it could be done by secondary legislation. So how does he explain that when I was told that in 1998.

HON CHIEF MINISTER

On the basis that what the hon Member is saying is correct, what is the point, what is the importance of this?

HON J J BOSSANO

The point is that I always act on the assumption that the Chief Minister is telling me the truth when he gives me an answer and if he tells me it has never been an issue then it could not be true when I was told six months ago that they had only recently persuaded the United Kingdom that subsidiary legislation was possible. Now he tells me that it has never been necessary because it has never been an issue. Well both answers cannot be true one of them must be wrong. That is the point. I believe that it is a legitimate question to ask if one gets an answer today which is in fact contradiction to an answer to the same issue put six months ago.

HON P C MONTEGRIFFO

My understanding, I hope that my contribution to this point is comprehensive though I may have been out of the Chamber for a little, is that the UK did revisit the issue of whether primary or secondary legislation was required to give effect to banking passporting even though they might have come to the view some time ago that secondary was possible. We certainly were involved in the process as recently as seven or eight or nine months ago to put the matter back on track. That I think would explain the answer given to the hon Member by myself when we had to confirm that indeed the UK had been prevailed upon to confirm the position it had agreed to take that secondary legislation was a perfectly adequate way of giving effect to passporting rights in the UK.

HON J J BOSSANO

I look forward to getting a copy of the letter dated March 1996 but I would have thought if the Chief Minister had in his possession since May 1996 that letter certainly I would not have had to wait until 1998 to prevail upon the UK. My understanding of the position was that they were having the same difficulty in convincing the British Government in 1997 as we were having in 1993.

ORAL

NO. 489 OF 1999

THE HON J C PEREZ

ELECTRICITY ARREARS.

Can Government state how much electricity arrears has been collected in the period 31 March 1998 to 31 August 1998 and from 1 September 1998 to 31 March 1999?

ANSWER

THE HON THE CHIEF MINISTER

Answered together with Question Nos. 490 to 492 of 1999.

ORAL

NO. 490 OF 1999

THE HON J C PEREZ

ELECTRICITY CHARGES.

Can Government state what was the level of electricity charges arrears at 31 March 1999?

ANSWER

THE HON THE CHIEF MINISTER

Answered together with Question Nos. 489 and 491 to 492 of 1999.

ORAL

NO. 491 OF 1999

THE HON J C PEREZ

ELECTRICITY CHARGES.

Of the total amount collected in electricity charges in the financial year 1996/1997, how much was collected by Lyonnaise des Eaux and how much was collected by Land Property Services?

ANSWER

THE HON THE CHIEF MINISTER

Answered together with Question Nos. 489, 490 and 492 of 1999.

NO. 492 OF 1999

THE HON J C PEREZ

LAND PROPERTY SERVICES - COLLECTION OF ARREARS.

Can Government confirm that the contract for the collection of arrears with Land Property Services has been terminated, and if so, on what date?

ANSWER

THE HON THE CHIEF MINISTER

The electricity collections for the period requested was as follows:

1 April 1998 to 31 August 1998	£3,388,390
1 September 1998 to 31 March 1999	<u>£5,626,045</u>
	£9,014,435

The electricity arrears as at 31 March 1999 stood at £5,295,145.

The total amount collected in electricity charges in the financial year 1996/1997 was £7,951,917. Of this, £7,808,014 was collected by Lyonnaise des Eaux Ltd and £143,903 was collected by Land Property Services Ltd.

The contract for the collection of arrears with Land Property Services Ltd has not been terminated.

SUPPLEMENTARY TO QUESTION NOS. 489 TO 492 OF 1999

HON J J BOSSANO

When did the Government change its mind about terminating the contract?

HON CHIEF MINISTER

I have said that the contract for the collection of arrears with Land Property Services has not been terminated.

HON J J BOSSANO

Yes and I am asking the Government when it changed its mind about terminating it because they made no provision in last year's Budget and they announced that it was not being provided for because they were terminating it.

HON CHIEF MINISTER

The contract is not being performed by either side because of the reasons that we went into when we last discussed it. Namely that there was some difficulty with the transfer to Land Property Services of the information in computer form to enable them to check it so in fact Land Property Services are not performing this service and the Government are not paying the £60,000 although I think last June there was a part payment.

Yes in the virements that were laid yesterday, the hon Member will see that there is a part payment of £30,000 I think it was that we made, but this is one of the issues that the Government are about to discuss with Land Property Services, in addition to other outstanding situations relating to their various contracts, for example, the question of the Land Property registry, that the Opposition Members also entered into some arrangements about.

HON J J BOSSANO

Apart from the overall position, we have been trying to establish since last year what was the position on the collection of electricity and we have had questions answered by the Minister for Government Services earlier on related to the sale of units, because I am sure that the Chief Minister will remember that when last year he put in the Budget that they expected to collect £8.8 million instead of £7.8 million, I asked whether the additional £1 million was expected to be the result of higher electricity sales or collection of arrears, and I was told it was collection of arrears. Now in fact, given that the arrears are £5.29 million in March 1999 and they were £5 million in March 1998, does it mean that the arrears have gone up and not come down?

HON CHIEF MINISTER

Well the level of arrears at any one time is a fluctuating target but it may well be that on those days that this question relates to, they may well be higher now.

HON J J BOSSANO

No, it is not a fluctuating target because I am not asking at random dates. I am asking at the end of the financial year. If one makes an estimate that in the next 12 months one is going to collect £1 million in arrears, then it is not an unreasonable question to ask at the end of the 12 months what has been collected in arrears if the figure is higher instead of lower. The answer that I have just been given is that the arrears in March 1999, that is at the end of the financial year 1998/1999, is higher than the figure we were given previously for March 1998.

HON CHIEF MINISTER

Well I have not got in front of me the figures for arrears in March 1998 but certainly if the figure for March 1998 was higher than the figure for March 1999 or vice versa then that is the position. If the figure for March 1999 of arrears is higher than the figure for arrears in March 1998 then it follows that there are more arrears in March 1999 than in March 1998.

HON J J BOSSANO

So in fact that would be consistent with the answer we were given in September last year when the Chief Minister said they no longer expected to be able to collect the amount in the Estimates because in fact in the five months from April to August, the amount that had been collected was not consistent with the estimated budget. I am sure the Chief Minister will recall that he first argued that it was a hypothetical question in the first leg of the September meeting and then he accepted that it was a reasonable assumption in the second leg of the September meeting, if he cares to look at the relevant questions in Hansard he will find that that was the answer we were given then. Since then, in the light of the payments to LPS, and we had understood were not going to get paid because precisely the system was not working they were not bringing the money in, we are trying to make sense of the figures with which we have been provided, that is all we are doing. If the figures do not seem to tally then it seems a reasonable position to come back and ask for clarification.

HON CHIEF MINISTER

The fact that the arrears are higher now than they were last year at the month of March does not mean that the revenue for electricity has not risen by £1 million as a result of the collection of arrears.

HON J J BOSSANO

Does it not?

HON CHIEF MINISTER

No not at all. It depends on how much electricity has been sold in between the two dates.

HON J J BOSSANO

Yes but we have also been told the amount of electricity that has been sold in answer to a previous question. If the price of electricity is the same, if the amount of arrears is higher and if the number of units have only increased by 3 per cent, then how does one produce £1 million? Perhaps the Chief Minister has discovered some secret formula for producing money out of thin air and we would like him to share it with us.

HON CHIEF MINISTER

Well, I am not saying that £1 million has been collected. The £1 million that he is referring to was an estimated figure. I do not know, I happened to check the forecast outturn I do not know whether it materialised in fact or not. At the time of the Estimates one estimates a figure on the basis of improved collection of arrears, there have been improved collections of arrears, which does not mean that arrears are still not high. It means that we have collected, if we have collected more money I do not know whether the forecast outturn is.....

HON J J BOSSANO

I can still remember the forecast outturn is £200,000 more than the Estimates.

HON CHIEF MINISTER

Well fine. So therefore there has been, there must have been an element of collection of arrears.

HON J J BOSSANO

Well then can the Government explain how it is that they reduce the arrears by £1.2 million and increased it by £295,000 in the same 12 months. Because the arithmetic is something that is beyond me.

HON CHIEF MINISTER

The Government do not do arithmetic and the Government do not post figures for arrears, they are whatever they are. And they are given to us by the company that does the billing. The arrears are whatever they are from time to time and the Government Revenue is whatever it is declared to be from time to time. But as Government revenue originates from payment of current electricity bills and from collection of arrears. The fact that we thought there was going to be £1 million and it turns out to be more or less is neither here nor there.

HON J J BOSSANO

It is not what they thought more or less because we are talking about substantial sums of money and we have actually put something like eight questions on this subject so it is not something that we have not given the Government more than sufficient time.

HON CHIEF MINISTER

Well what is the issue?

HON J J BOSSANO

The issue is that we expect to be given accurate information in the House and I believe we are entitled to it.

HON CHIEF MINISTER

But the hon Member has been given it, who says that they have not been given accurate information?

HON J J BOSSANO

I will tell the Chief Minister who says that the information is inaccurate - anybody who can count will come to the conclusion that it is not possible for all the answers to all the questions that we have been provided to be accurate. Since we have been given six different answers to six questions on the same subject and they cannot all be right I do not think it is unreasonable to say to the Chief Minister well which is the right answer.

HON CHIEF MINISTER

No, the hon Gentleman is up to his usual tactics of announcing a logical supposition on his part and then proceeding on the basis that it must be correct. I do not accept that any of the six answers that he has been given are either inaccurate or inconsistent. The fact that he refers glibly to the answers given by Mr Britto before, does not make either his answers inaccurate or the ones he is getting now inaccurate. If the hon Member wishes to make allegations of inaccurate information, he has got to demonstrate it, not by some loose allegation which he has worked out in his mind as he stands up on his feet, what figure does the hon Member think is inaccurate?

HON J J BOSSANO

Well, let me say to the Chief Minister that he is going down the Moroccan route again. He is going down the Moroccan route again and he will have to come back here again and admit that we were not scaremongering, that we were not inventing figures and that all we were doing is a conscientious job because it seems to me that the problem is that they produce answers to questions which are then read by Ministers who do not read them until they get here. Then they read them out and they assume we will just take it away and not compare it. Since we take the job seriously and since they think it is so important to be accountable to the House, all that we are doing is precisely what he attaches so much importance to.

HON CHIEF MINISTER

I am not conceding that the hon Member is right. I know that the hon Member has great belief in his infallibility but very few people share that belief.

HON J J BOSSANO

I am not suggesting that I am infallible. What I am saying to the Chief Minister is that if he gives an answer to a question then presumably I have the right in a supplementary to ask him how can he explain, does he know whether the arrears have been collected or not collected in the last twelve months? Yes or no?

HON CHIEF MINISTER

Neither question time nor supplementaries are for me to satisfy the hon Member's quest for explanations. They are for me to provide information to the House and we are providing information to the House. What use he makes of that information is a matter for him but I am not here to give the hon Member numerical explanations about the conundrums that he likes to machinate in his mind. My task is to provide the Member with the information that he seeks. Whatever commentary he wishes to make from that information, whatever use he wishes to put that information to is a matter for him.

HON J J BOSSANO

Mr Speaker, we have put a whole series of questions, all of which ask for information and nothing else.

HON CHIEF MINISTER

And they have been answered.

HON J J BOSSANO

No they have not been answered because when the Chief Minister gives an answer in one question which contradicts the answer in another question and we put a supplementary.....

HON CHIEF MINISTER

Which information is inaccurate?

HON J J BOSSANO

Mr Speaker if he shuts up long enough for me to finish then he will find out.

MR SPEAKER

Yes you had better keep quiet, let him finish and there is one answer.

HON J J BOSSANO

If we then point out the contradiction so that we can try and establish which is the correct answer, that is not machinations. He chooses to answer the question, we put the question to the Government. It can be answered by the Minister for Government Services or by the Financial and Development Secretary or whoever is better equipped to understand the figures. If in fact the Chief Minister has told us that a figure was collected of arrears in these last 12 months and he also gives us a figure which says that the arrears position was £5,295,000 in March 1999, my question is how can he explain that that answer indicates more arrears at a time when in another answer he has told us the arrears have been collected and consequently the figure should be lower not higher. Can he explain that?

HON CHIEF MINISTER

Well it is now clear why the hon Member is labouring under a misapprehension. He has understood neither the questions that have been asked nor the answers that I have been given. I have not said that the arrears are at £5,626,045, I have said that between 1st September 1998 and 31st March 1999 £5,626,045 were collected in arrears and that the electricity arrears as at 31st March 1999 stood at £5,295,145. Now what is the figure that is inaccurate then?

HON J J BOSSANO

That figure. The one that he has just said is precisely the figure that I have used.

HON CHIEF MINISTER

Why is it inaccurate?

HON J J BOSSANO

Because it is higher than March 1998. If one collected arrears over and above the current billing then the arrears position should be lower and not higher. We would like to ask the Government to explain if we were told in March 1998, 12 months ago, the Government put in the Estimates that they expected to collect £1 million pounds in electricity more and since that was a surprising figure I asked the Government a year ago, did they expect in the next 12 months to achieve £1 million additional revenue because of higher electricity sales or because of better collection of arrears. The answer that the Chief Minister gave me was because of better collection of arrears. Well having been given that answer in the Budget last year, during the course of the year we have been asking questions about the collection of arrears to see whether that was being achieved or not. In September the Minister gave us an answer on the basis of the figures up to August which showed no collection of arrears by August, the figure that was given in September was that they had collected £3.6 million which with 5/12 th of the year gone by did not extrapolate to £8.8 million. Mr Speaker, the Chief Minister in Hansard agreed with that. So before he starts waving his hands in alarm about extrapolations let me remind him that he agreed with that. His position was no realistically speaking we no longer expect to collect £1 million of the arrears element in the Estimates. That is the truth of it.

HON CHIEF MINISTER

So that is not the same as the hon Member has just said.

HON J J BOSSANO

So this is the end of the story as far as we are concerned. This is the extrapolation that is now worrying the Chief Minister so much. He agreed with it in September, we now come to the position today when we have been told by him they have surpassed the £1 million of arrears. They have collected £1.2 million.

HON CHIEF MINISTER

The hon Member is unduly pessimistic.

HON J J BOSSANO

Well then can the Chief Minister explain if they collected £1.2 million between September and March, how is it that the arrears in March are higher than they were the previous year?

HON CHIEF MINISTER

Well, because there must have been sales of electricity in the meantime which have not been paid for and which as of today constitutes arrears.

HON J J BOSSANO

The Chief Minister rather than accept the possibility that there could be a mistake is the one that makes up possible explanations as he is on his feet. If he says there could be sales of electricity then how is it that his Colleague sitting next to him does not seem to know about these sales of electricity. We asked a question over the units consumed. My question is, if the Chief Minister says the possible explanation is the sales of electricity, can the Minister for Government Services tell the House by what percentage the sales of electricity went up in 1998/1999 which was a question in the Order paper earlier on?

HON CHIEF MINISTER

The hon Member is confusing the issue. Whatever the number of electricity units consumed has got nothing to do with the number of electricity units that have been paid for. What is the connection between the number of millions of units sold and what might be now the level of arrears, which are generated not by the number of units consumed but by the number of units consumed and not, as of today's date, paid for. So why the hon Member thinks that the hon Minister's answer as to the number of units consumed somehow supports his extraordinary convoluted logical roots to demonstrating that the figures are inaccurate, beats me. The hon Member must say which figures are inaccurate by reference to mathematical calculation not by reference to say on his feet logic, which frankly does not persuade. If units of electricity have been sold, whatever the number of units of electricity consumed, if there are £5.295 million of arrears as at 31st March 1999, it must be because the ones that he has answered that have been consumed plus the ones that have been consumed in previous years, which have still not been paid for, amount to this sum of money. I have frankly heard the hon Member say nothing during this exchange which means to me that there is any likelihood that he has found another mine of Moroccan statistics. Now, the hon Member may be right but he has said nothing here this evening which suggests that he is likely to be right. Of course he is perfectly at liberty to demonstrate that he is correct but he has not demonstrated it yet and as he has not demonstrated it yet, it should not surprise him that I do not accept that the figures are inaccurate. I am not going to accept the figures that are inaccurate on the basis of a convoluted logic which to me contains a great illogicality and therefore, if the hon Member wishes to make a case for this figure being inaccurate it has got to be a better case than he has made now, which does not mean that he may not be correct, it simply means that he has not yet made a case which persuades me to agree with him that he is right.

NO. 493 OF 1999THE HON J C PEREZ**ADMINISTRATIVE GRADES.**

Can Government state what is the total complement of the Administrative Grades in the Civil Service, including those in the Health Authority, as at 31st March 1999 giving a breakdown by grades?

ANSWERTHE HON THE CHIEF MINISTER

The total complement of the Administrative Grades in the Civil Service, including those in the Health Authority as at 31st March 1999 is as follows:-

(a)	GHA	Approved Complement	Actual Complement
	AA	} 29	4
	AO	}	24
	Total	29	28
(b)	Other Depts.	Approved Complement	Actual Complement
	AA	19	74
	AO	222	156
	Total	241	230

In the Gibraltar Health Authority approved complement, for some reason the figure for AA and AO is given to me as a total of 29 because I think it is a question of complement. I think in the Health Authority they do not have complements they just have people in post. They do not have approved complement. Whereas in the actual complement they give me four AAs and 24 AOs. So that the approved complement is 29 and there are 28 bodies in post. In respect of the other departments, in respect of AAs the approved complement is 19 and the actual complement is 74. In respect of AOs the approved complement is 222 and the actual complement is 156. So the total approved complement is 241 and the total actual complement is 230.

SUPPLEMENTARY TO QUESTION NO. 493 OF 1999

HON J C PEREZ

Did the hon Member say AA 90.

HON CHIEF MINISTER

AAs 19, one nine.

HON J C PEREZ

So there are 74 in post and the approved complement is 19.

HON CHIEF MINISTER

Yes. That is because all the recruits are at the AA level and therefore there are many AAs who are acting AOs.

HON J C PEREZ

Yes but with respect, the Chief Minister is stretching the interpretation of approved complement. Normally approved complement is what is the desired number that the department wants to employ and it is normally higher than the people in post. The people in post normally is perhaps lower than the approved complement and the difference between one and the other are the vacancies. But if the Chief Minister is saying that there is an approved complement of 19 and there are 74, what he is saying is that he has got to lose about 50 posts. That is essentially what he has got to lose. He cannot call it approved complement because complement must be something different.

HON CHIEF MINISTER

No, because he will notice that the approved complement for AOs is 222 of which there is only 156 in post and I have tried once to give him an explanation and I will try again. When the Government did its restructure of the Civil Service and promotions and there was what we had in the past, the sort of process of musical chairs, eventually one gets a lot of vacancies at the bottom. Those vacancies are filled by recruiting people in from the street and they are recruited in from the street as AAs. So that is why there are now more AAs than there are approved complement for but there are less AOs in post than the approved complement. Because we are bottom heavy with AAs because everyone gets in as an AA.

HON J C PEREZ

Two questions out of that. The Chief Minister has not given me the figure for the EO, the HEO and the SEO and therefore one cannot look at the whole ladder. And if there are 66 vacancies of AO, why is it that the Government are taking so long to fill them from the 74 AAs that it has got waiting there for promotion?

HON CHIEF MINISTER

Well, in the first place the question asks only for administrative grades.

HON J C PEREZ

Well EO, HEO and SEO are administrative grades.

HON CHIEF MINISTER

No, they are the executive and administrative grades. The administrative grades are AA and AO, the executive grades are Executive Officers which starts with EO. This is why the Personnel Department has given this information. He asked for administrative grades, I think what he obviously meant to have asked was for the administrative and executive grades and the question has been taken very literally.

HON J C PEREZ

In my time there was only a difference between technical grades and administrative grades. The fact that they were executive or not did not matter but fine. I accept that there might have been a mistake. Is it possible for the Chief Minister to give me the whole picture possibly before the Budget so that we have not got the problem we had last year?

HON CHIEF MINISTER

Yes, the information that he has on the front page of each departmental bid in the Estimates booklet that he has in front of him is now the desired level of staffing, as far as the Government are concerned. There are some vacancies but the posts are now all listed as they are intended to be.

HON J C PEREZ

Not if they reflect the figures as he has given me, because he is telling me that for example, there are 74 AAs and there should be 19. So I presume that the Estimates will not cover for 19 AA posts, it will cover money for 74 AA posts.

HON CHIEF MINISTER

Well I have to check that particular point because certainly there is an intention very shortly to confirm in AO posts at AO grade many of the AAs that have been substituting for some time and I will have to check how that has been reflected in the Estimates. But I will find that out for him so that he will know at the AA and AO level whether what the Budget Estimate booklet says is the position as we speak or whether it is the position as it will be when all the confirmations in post at AO level have been decided. In fact, I do not want to start a debate on this now so I would ask him please not to come back but one of the things that the Government are considering is doing away with the AA grade altogether.

HON J C PEREZ

Yes well that is something that has been under consideration for some time. But I do take it that the Chief Minister will try and provide me with the figures for EO, HEO and SEO as well, as soon as possible.

HON CHIEF MINISTER

Yes.

NO. 494 OF 1999

THE HON J C PEREZ

EXECUTIVE OFFICERS - DIRECT ENTRY.

Can Government state how many posts of EO or above have been filled in the Civil Service by direct entry during the financial year ending 31st March 1999?

ANSWER

THE HON THE CHIEF MINISTER

Three posts of EO have been filled in the Civil Service by direct entry during the financial year ending 31st March 1999. All three posts have been recruited for the Information Technology Unit of the Support Services Department.

SUPPLEMENTARY TO QUESTION NO. 494 OF 1999

HON J C PEREZ

Can the Chief Minister say whether it is the desire of the Government to increase this number or whether at the present time they are satisfied that they have got the quality people that they need and that they do not intend, in the short term, to recruit any more.

HON CHIEF MINISTER

I do not know if the hon Member's supplementary is limited to the Information Technology Unit or generally.

HON J C PEREZ

Generally.

HON CHIEF MINISTER

Well, the question asked for the information in respect of the financial year ending 31st March 1999. Since that date I believe that there has now been an advertisement and a selection board for two EOs with accounting qualifications to be inducted on the graduate entry scheme at EO level. So, since 31st March 1999, there have been a further two at accountancy level. Whether that is the end of the process of attracting graduates into the Service by means of offering them direct entry at EO, I cannot say. What I can tell the hon Member is that I am not aware of any current proposals to do so, but I would not like to give him the impression that it might not happen again.

NO. 495 OF 1999

THE HON J C PEREZ

GIBRALTAR DEVELOPMENT CORPORATION - CONTRIBUTORY PENSION SCHEME.

Can Government state whether all the employees of the Gibraltar Development Corporation are covered by a contributory pension scheme?

ANSWER

THE HON THE CHIEF MINISTER

Not all of the employees of the Gibraltar Development Corporation are, at present, covered by a contributory pension scheme. Many of these employees are covered by the pension schemes to which they were contributors when they joined the Corporation.

The Government are currently looking into the establishment of a new pension scheme to be administered by the Treasury. This scheme will mainly cater for employees who are in mobile employment but will also be made available to those Gibraltar Development Corporation employees who are not at present covered by any pension scheme.

SUPPLEMENTARY TO QUESTION NO. 495 OF 1999

HON J C PEREZ

Can I ask whether it will be a contributory pension scheme and whether it will be optional. That is to say, if it is contributory will it be full contributions by the employee with the employer making none and part contributions, and obviously if it is part and part, people will take up the option. If it is solely the employee putting in the contributions then it is probably optional for people whether they want to join that or on another one in the private sector.

HON CHIEF MINISTER

No, it is a contributory scheme to which both parties contribute and indeed, it is geared to induce as much contribution as possible from the employee, and therefore the Gibraltar Development Corporation's own contribution is geared to the contribution of the employee. I do not think it is even on the basis of equality, I think that the employer contributes a greater share but it is certainly both.

HON J J BOSSANO

Is that referring to the existing pension arrangements in the Development Corporation, where the Corporation pays a fixed amount and then tops it up by matching the employees, is that the position?

HON CHIEF MINISTER

It is based on, I can never remember which of the two it is, whether it is the Provident Scheme or the Provident No. 1 Scheme, there are two. I think that the employer makes no contribution unless the employee makes a certain level of contribution but if

the employee makes a certain level of contribution the employer's contribution is higher than his. I do not want him to take me too literally on the detail of the Scheme but it is not the existing, there is not an existing GDC scheme. What there is, is the Provident Schemes of which he is aware, which are run by the Treasury. Those schemes are going to be made available to non-Government company employees, to anybody in the private sector, who works for an employer that does not have a pension scheme. Especially for people in mobile types of employment, people who jump around from short term employment to short term employment, and we are intending to extend that scheme, with modifications, to GDC employees. But there is not as such at the moment a GDC scheme. I can tell the hon Members that of the 126 employees in the Corporation, 73 are not covered by any pension scheme. And the ones that do have are the ones that brought them in because they had one with Gibraltar Information Bureau or whoever, wherever they came from.

HON J J BOSSANO

But is it the intention that everybody will be on the same terms at the end of it or not?

HON CHIEF MINISTER

If people have got a scheme, and that is a private scheme that scheme will continue. To the extent that people take part in the scheme that we will introduce, everyone will be on the same scheme. In other words it is either the Treasury-run scheme or it is whatever pension scheme. Out of 126 employees, 25 employees were already members of the GSL Provident fund, 14 had pension plans with Axa Equity and Law and 11 were members of the Gibraltar Provident Fund No. 2. So in respect of the others they will be brought into, I cannot remember if it is the Provident No. 1 or the Provident No. 2, that is the detail that I cannot remember. But it is basically into that, one of the two schemes.

HON J C PEREZ

Did I understand the Chief Minister well when he said that the pension scheme to cover those who were uncovered will also be available to other employees in the private sector that move around? That is to say, that even though they change employers, the pension scheme is transferable.

HON CHIEF MINISTER

Well, it is not transferable, it is static. In other words, whoever his employer is at any given time, will make a contribution to this central scheme. So rather than transferring the policy, the pension scheme is static centrally-run, the employee will make his contributions to whoever he is working for and the employer, whoever it is from time to time, will make the employer's contributions. By this way we hope to persuade employers in the private sector who use as an excuse for not making occupational pension scheme provision, the fact that employees are not with them long enough to justify it, well we hope to deprive them of that argument by in effect having a centrally-administered scheme that places no commencement periods and no administrative liability on the employer.

HON J L BALDACHINO

Of the 73 that do not have a pension or who are not included, are the ones that were Sights Management also included in the 73 or they are not included?

HON CHIEF MINISTER

I do not know. This information is at 1st April and I cannot remember when they came across. They came across in February so they would be included, then yes. But I think the Sights Management people, the Sights Trading people rather, I beg your pardon I think the Sights Management people did have pension arrangements. Yes, certainly the Sights Trading people, the cleaning people have got pension schemes, whether the Sights Management employees had as well I do not know, but I would have thought so. If one group of companies had it I suppose the others did as well.

ORAL

NO. 496 OF 1999

THE HON J C PEREZ

DIPUTACION DE CADIZ.

What proposals for co-operation on essential services have the Government considered or discussed with the Diputacion de Cadiz?

ANSWER

THE HON THE CHIEF MINISTER

Answered together with Question No. 497 of 1999.

NO. 497 OF 1999

THE HON J C PEREZ

DIPUTACION DE CADIZ.

Is Government involved in discussion with the Diputacion de Cadiz with the intention of making a joint submission for funds to the European Union on matters involving essential services?

ANSWER

THE HON THE CHIEF MINISTER

No such proposals have been put to or by the Government, or discussed.

SUPPLEMENTARY TO QUESTION NOS. 496 AND 497 OF 1999

HON J C PEREZ

Has not the customary offer made by Spaniards of cheap electricity and water been made to the Chief Minister by the Diputacion de Cadiz?

HON CHIEF MINISTER

No.

NO. 498 OF 1999

THE HON J J BOSSANO

INCOME TAX - EMPLOYERS DECLARATION.

How many employers have returned the 1997/1998 Employer's Declaration and PAYE certificates to date, and what is the number of employees affected and the total amount of tax deducted?

ANSWER

THE HON THE CHIEF MINISTER

One thousand, six hundred and nineteen employers, reporting on a total of 19,556 taxpayers, lodged their 1997/1998 Employer's Declaration and PAYE certificates at the close of business on 13th May 1999. The amount of PAYE tax deducted is approximately £38.06 million.

NO. 499 OF 1999

THE HON J J BOSSANO

INCOME TAX - EMPLOYERS DECLARATION.

How many of the employers who have returned the 1997/1998 Employers Declaration and PAYE certificates have not yet paid over to Government the tax deduction from their employees up to 1st July 1998, and what is the number of employees affected and the total amount of tax due?

ANSWER

THE HON THE CHIEF MINISTER

As at 14th May 1999, from a total of 1,619 Employers who have returned the 1997/1998 Employers Declaration and PAYE Certificates, there is PAYE tax outstanding on 249 Returns totalling £290,000.

SUPPLEMENTARY TO QUESTION NO. 499 OF 1999

HON J J BOSSANO

The 249 returns are what, employers?

HON CHIEF MINISTER

Yes. The hon Member will recall that in Supplementaries to previous similar questions in the past, I have told him that it is not possible to identify the number of employees affected, as there is no way that it can be established to which specific employees the PAYE tax outstanding refers.

HON J J BOSSANO

That is I take it because the amount that is handed over does not tally with the total amount collected. But obviously if there was an employer who paid nothing, one would know the number of employees.

NO. 500 OF 1999

THE HON J J BOSSANO

INCOME TAX - EMPLOYERS DECLARATION.

How many employers have yet not returned the 1996/1997 Employers Declaration and PAYE Certificates and what is the estimated number of employees affected?

ANSWER

THE HON THE CHIEF MINISTER

One hundred and ninety-four is the number of Employers that the record shows have not returned the 1996/1997 Employers Declaration and PAYE certificates as at 13th May 1999.

I am advised that considering that it is now almost two years since that year ended, it would not be prudent to venture an estimate of employees affected until it can be established that the said employers did in fact employ personnel during the year in question.

SUPPLEMENTARY TO QUESTION NO. 500 OF 1999

HON J J BOSSANO

Does the Department know whether all these employers or any of them or a substantial number of them continue trading or not?

HON CHIEF MINISTER

Well I think that is what is implicit in the second half of the answer that I have given him, that the non-materialisation of declarations and certificates may reflect either tardiness, but after two years the tardiness becomes so extreme as to perhaps raise the possibility that the company is not around at all and is not trading. What I cannot tell the hon Member is what steps, if any, the administration takes to establish which of the two cases it is, or whether it just leaves them there pending and the number either does not whittle down any further or whether from time to time it whittles down by small amounts. I cannot tell him what the answer to that is.

NO. 501 OF 1999

THE HON J J BOSSANO

INCOME TAX - EMPLOYERS DECLARATION.

How many employers have not yet returned the 1997/1998 Employers Declaration and PAYE certificates and what is the estimated number of employees affected?

ANSWER

THE HON THE CHIEF MINISTER

As at 13th May 1999, 260 employers under which approximately a total of 2,500 taxpayers are registered, have not returned the 1997/1998 Employers Declaration and PAYE Certificates.

SUPPLEMENTARY TO QUESTION NO. 501 OF 1999

HON J J BOSSANO

Do the Government check whether the same employer appears in a number of years? Is it the case that when the 1996/1997 employers have not made their Return, does the Department not check whether they paid their 1997/1998 Return to see whether in fact the 194 are included in the 260?

HON CHIEF MINISTER

Well, I cannot with certainty say that that is so but it would seem to me a logical thing to do. But whether they actually do it or not I do not know. I should perhaps add, although it does not follow from the hon Member's supplementary, that of that 2,500 approximately 2,000 are individuals returned by Government Departments and details of which are currently pending amendment, consequent to pay review arrears. So really the non-Government related is about 500.

HON J J BOSSANO

I am sorry I did not follow that explanation. I wonder whether the Chief Minister could repeat it again.

HON CHIEF MINISTER

Yes, I have told him that the current total is 2,500, now, that total, that figure of 2,500 includes approximately 2,000 individuals details of whom are returned by Government Departments, and details of which are currently pending amendment consequent to pay review arrears issues. So, of the 2,500 only 500 are not related to Government by one means or another. In other words, they are not Government employees.

HON J J BOSSANO

I see. So in fact, that implies that one of the 260 employers who have not yet returned the certificate are the Government.

HON CHIEF MINISTER

Well, it is not that we have not returned the Certificate, it is that the return has to be amended for reason of subsequent pay arrears issues. In other words, it is a question of amendment rather than having a need to amend it, rather than not having submitted the certificate in the first place.

HON J J BOSSANO

I see. I am grateful for that additional information because of course, since the question says the number of employees affected in the employment of those employers who have not yet returned, then I would have thought the answer to the original question logically would have been 500 and not 2,500. Now, would the Chief Minister check whether in fact in previous answers, where they have had figures of 4,000, similar considerations apply. Because that explanation has not been given previously and it is certainly not self-evident from the answer, that is, if the question is how many employees are affected by employers not returning the Declaration, then at face value the 2,500 would indicate that they are in the private sector.

HON CHIEF MINISTER

No, I can tell the hon Member that previous answers to similar questions have been on the same basis and actually I think the hon Member's recollection on this occasion is failing him, because I think I gave him exactly the same. Well, I am reading from my notes on the Supplementary, and I think it was there the last time and I think that if he checks with Hansard he will see that I probably did. Certainly I can tell him that it is the same basis and my recollection is that I have explained this across the floor to him at the House before, but I cannot be certain, but I would ask him to check because I think it has been.

HON J J BOSSANO

I think it may be that the Chief Minister had the answer prepared but the question was not asked.

HON CHIEF MINISTER

But he has not asked it this time.

HON J J BOSSANO

I have not asked it this time either.

NO. 502 OF 1999

THE HON J J BOSSANO

INCOME TAX - PAYE ARREARS.

Can Government state what was the amount of arrears of PAYE for the tax year 1997/1998 and the amount in respect of previous years as at 31st March 1999?

ANSWER

THE HON THE CHIEF MINISTER

PAYE outstanding as at 31st March 1999 was £2.66 million, of which £1.10 million was in respect of the tax year 1997/1998.

SUPPLEMENTARY TO QUESTION NO. 502 OF 1999

HON J J BOSSANO

When I have asked this question before, the Chief Minister was able to provide the balance telling me for two or three years what the balances were. Has he been given that information this time?

HON CHIEF MINISTER

No, I am afraid I have not been. But I can only make to the hon Member the same offer as we have made in respect of other issues. He asks these questions repeatedly, he seldom puts Supplementaries which suggests that he is just interested in having the information to put to some use outside this House, but that is fine. If the hon Member will write to me and tell me what is the information that he would like to have on a regular basis, I am quite happy to have it provided for him and he does not have to use Question Time simply to elicit statistical information.

HON J J BOSSANO

Well, it is only when the statistical information does not tally, that I feel the need to ask Supplementaries but then I normally get an avalanche of attacks from the Chief Minister for asking them. So perhaps I am safer in writing than I am verbally.

HON CHIEF MINISTER

That is almost certainly true.

ORAL

NO. 503 OF 1999

THE HON J J BOSSANO

INCOME TAX - ABANDONED CLAIMS.

Can Government say what was the value of abandoned claims for PAYE and Corporation Tax arrears in the financial years 1997/1998 and 1998/1999?

ANSWER

THE HON THE CHIEF MINISTER

In the financial year 1997/1998 the amount of PAYE and related penalties written-off, including individuals' Income Tax was £1,286,809. In respect of Corporation Tax, £339,661 was written-off in 1997/1998. No PAYE or Corporation Tax debts were written-off in 1998/1999.

NO. 504 OF 1999

THE HON J J BOSSANO

INCOME TAX - CORPORATION TAX.

Can Government state how much of the Corporation Tax collected in the financial year 1998/1999 was in respect of current payments and how much in respect of previous years?

ANSWER

THE HON THE CHIEF MINISTER

The total amount of Corporation Tax collected in the financial year 1998/1999 was £11.5 million. Of this £2.9 million was in respect of assessments raised for the tax year 1998/1999. £8.6 million was in respect of assessments raised for other years.

NO. 505 OF 1999THE HON J J BOSSANO**INCOME TAX - CORPORATION TAX.**

Can Government state what is the total amount collected in Corporation Tax in each month since January 1999?

ANSWERTHE HON THE CHIEF MINISTER

The Corporation Tax collected in each month since January 1999 was:

	£m
January 1999	0.19
February 1999	0.21
March 1999	2.22
April 1999	0.73

These figures are subject to change on reconciliation with the Treasury Books.

SUPPLEMENTARY TO QUESTION NO. 505 OF 1999

HON J J BOSSANO

Is there any explanation for the very large amount collected in March as compared to the other months? It is ten times as much.

HON CHIEF MINISTER

I do not know as a matter of fact although I can find out, I am sure the Income Tax have got a pretty well proven theory as to what the reason is. It could either be the approaching end of the Tax Year or the approaching end of particular company's accounts year, when a lot of companies do reports on 31st March or April.

HON J J BOSSANO

So it is not related to some particular effort to collect arrears in that particular month?

HON CHIEF MINISTER

I really do not think so because these things are self-generating and it is a question of when they flow in. I do not think the Income Tax Office has any great system for binges at particular times of the year, I think it has something to do with the financial year end. But if the hon Member is interested, as indeed he has kindled my interest, when I find out the answer to that I will pass it on to him.

NO. 506 OF 1999THE HON J J BOSSANO**INCOME TAX - SELF-EMPLOYED PERSONS.**

Can Government say what was the amount of tax payable by self-employed persons in respect of earnings in the tax year 1995/1996, the total earnings assessed to tax and the amount of tax due, paid as at 31st March 1999?

ANSWERTHE HON THE CHIEF MINISTER

I am advised by the Commissioner of Income Tax that the information requested is not readily available in a reliable form in the time available. The Commissioner of Income Tax is assessing whether it can be obtained, given more time, but without a disproportionate administrative effort. I will advise the hon Gentleman of the position at a later date.

SUPPLEMENTARY TO QUESTION NO. 506 OF 1999

HON J J BOSSANO

Well, I accept that that may be true of some elements of the question, but the amount of tax payable by self-employed persons in respect of earnings in 1995/1996 must be something that has already gone through the system and been audited. There must be a figure because it is something that appears when the audited accounts appear. I would have thought how much of it has been paid by now is something the Department must know. Otherwise, how do they know who has paid and who has not. I accept that probably the total earnings assessed is a different kettle of fish.

HON CHIEF MINISTER

Well, the problem may lie in the fact that the question does not ask how much was payable by self-employed in a year but how much is payable in respect of the earnings of a year. Moneys may be payable in the tax year 1995/1996 in respect of previous years' earnings and that might be the explanation why the information cannot be extrapolated. In other words, they do not have sub-totals for the particular years to which the income, if the hon Member follows his question, can Government say what was the amount of tax payable by self-employed persons in respect of earnings in the tax year 1995/1996. That requires a process to separate from the tax payable during the tax year 1995/1996, that which related to earnings in that year and that which related to earnings in a previous year. I am told, and I have spoken personally to the Commissioner of Income Tax to ask why this information is not available, he has told me that he thinks it would require a manual exercise on a file by file basis but that he is going to consult with the Information Technology people to see whether there is any way of extrapolating this information from the computer, which he is not aware of. That is why he has asked for more time to see if it is possible.

HON J J BOSSANO

I take the point. My understanding was that in fact, the way that self-employed tax was payable was always on the earnings of the preceding year, that is, the Chief Minister should know better than me because he has been self-employed for many

years, and when he made his tax return I am told by those who do, that what he declares is the money he earned in the previous year.

HON CHIEF MINISTER

Yes, I am sorry, then I have not made myself clear. It may be that the Tax keeps a computerised running total of the amount of tax payable by self-employed people in the year 1995/1996 but not in respect of income of that year. Because as the hon Member knows self-employed people are often assessed in one year for the income of three or four years if they are in arrears. So the point is that of the running total of tax payable during the year, he says he cannot separate what relates to the earnings of that year or any particular year from that which is in respect of arrears or that which is in respect of perhaps the consequence of having been assessed in one year in respect of four years' tax. Nor incidentally if I could add, does he think that they keep a running total of the earnings assessed to tax.

HON J J BOSSANO

Knowing more or less that there may be a difficulty in that area, this is why I was drawing a distinction between the two elements in the question. But obviously, I am not entirely familiar with the way they actually do these calculations but I understood that even if one was getting a bill for a number of years, since the question is the amount of tax payable, surely it would be payable not in the year when it was paid. I mean if they get assessments for a number of years I would have thought even if they all arrive in the same year, they would be for different tax years, would they not be?

HON CHIEF MINISTER

Yes indeed they would be. But they would all be payable on two dates of the same tax year and it goes into the running total for that year, without distinction of the year to which the income period to which they relate.

NO. 507 OF 1999THE HON J J BOSSANO**INCOME TAX - PAYE.**

Can Government say what was the breakdown of the amount of £13.8 million collected in the financial year 1997/1998 in respect of tax of previous tax years for employees of:

- (a) M.O.D.
- (b) Gibraltar Government
- (c) Government-owned Companies and Joint Ventures
- (d) Private Sector employers?

ANSWERTHE HON THE CHIEF MINISTER

The Income Tax Office is unable to answer the question as it is not able to identify the sum of £13.8 million on which the question is based. It has been suggested to me that the question could be based on Question No. 599 of 1998 when a figure of £13.9 million was given for the PAYE collected in the financial year 1997/1998 in respect of tax years other than the tax year 1997/1998. If that is so, I can tell that following further adjustments the position can today be summarised as follows:

	£m
M.O.D.	1.2.
Government-owned companies and Joint Ventures	1.0
Private Sector Employers	11.4

SUPPLEMENTARY TO QUESTION NO. 507 OF 1999

HON J J BOSSANO

Can I ask as a Supplementary on this, because I think we have tended to assume that all the arrears were in fact for the Private Sector and the purpose of the question was to establish whether this was the case. Is this because the money is not coming in on the 15th of each month as really is required by the Ordinance, is that correct?

HON CHIEF MINISTER

Sorry, I have not understood the question could the hon Member repeat it.

HON J J BOSSANO

When we have been given this kind of information in previous questions, we have tended to assume that in fact the tax collected in respect of previous years was all Private Sector arrears that were not being paid on time. We have just put the question this time just to be sure that we were interpreting the figures correctly. Given the fact that we have been told, for example, that the M.O.D. accounted for £1.2 million of the tax collected in respect of previous tax years, is it that in fact the M.O.D. was not paying on the 15th of each month?

HON CHIEF MINISTER

Probably, they pay at periodic intervals during the year and the end of the year arrives and it has not paid in respect of the last part of it. The MOD is not a bad payer, but does not necessarily do it on a monthly basis I understand.

HON J J BOSSANO

Can I just draw the attention of the Chief Minister that in Question No. 587 of 1998, he did not give me the breakdown showing how many of the 4,800 taxpayers covered by 478 employers, were in fact Government employees. So it is the first time I hear of it.

HON CHIEF MINISTER

I recall that I had it.

HON J J BOSSANO

So obviously, when he has an opportunity to give me the breakdown I would be grateful.

NO. 508 OF 1999

THE HON J J BOSSANO

INCOME TAX - DIRECT ASSESSMENTS.

Are Government now in a position to say how much of the tax due by direct assessments on individuals amounting to £13,491,754 was paid by 31st March 1998, and how much was still due on that date?

ANSWER

THE HON THE CHIEF MINISTER

As I think I have told the hon Member before, and as I think he probably was aware of when he was in office, it will not be possible to produce the information sought until the Tax Office computer system is replaced by a more sophisticated system.

SUPPLEMENTARY TO QUESTION NO. 508 OF 1999

HON J J BOSSANO

Well I am not sure that that was the answer that I got the last time but I will check.

HON CHIEF MINISTER

I can give the hon Member the number of the question so that he can check them with more ease. It was the answer he got to Question No. 243 of 1998 and to Question No. 597 of 1998.

HON J C PEREZ

Can one ask whether the Tax Office computer is 2000 Year compliant?

HON CHIEF MINISTER

It jolly well better be, but I am told that it will be.

ORAL

NO. 509 OF 1999

THE HON J J BOSSANO

INCOME TAX - GROSS INCOME TAX RECEIPTS.

Can Government state what was the actual amount collected in the financial year 1997/1998 in respect of income tax and of this how much was PAYE?

ANSWER

THE HON THE CHIEF MINISTER

In the financial year 1997/1998 gross income tax receipts amounted to £46.05 million of which gross PAYE revenue was £42.02 million. The total for the year, net of PAYE refunds effected, was £45 million.

NO. 510 OF 1999

THE HON J J BOSSANO

INCOME TAX - TAX COLLECTED.

Can Government give the breakdown of tax collected in the financial year 1998/1999, showing the amount in respect of PAYE, individuals, Section 67 and refunds?

ANSWER

THE HON THE CHIEF MINISTER

In the financial year 1998/1999 income tax receipts amounted to £47.18 million which can be analysed as follows:

	£m
Gross PAYE revenue	43.97
Assessed individuals	4.56
Other receipts	1.07
Less refunds	<u>(2.42)</u>
Net total	<u>47.18</u>

These figures are based on the Tax Office records and are subject to change when reconciled with the Treasury Books.

SUPPLEMENTARY TO QUESTION NO. 510 OF 1999

HON J J BOSSANO

I thought the Chief Minister said £47.81 million.

HON CHIEF MINISTER

No £43.97 million, £4.56 million, £1.07 million less refunds of £2.42 million, if whoever has done this has added it up correctly is £47.18 million.

ORAL

NO. 511 OF 1999

THE HON J J BOSSANO

INCOME TAX - PAYE.

Can Government give a breakdown of PAYE collected in 1998/1999 showing the amounts in respect of current PAYE and the amount in respect of arrears of previous financial years?

ANSWER

THE HON THE CHIEF MINISTER

£43.97 million is the total PAYE revenue collected in the financial year 1998/1999, of which the sum of £30.2 million is in respect of the tax year 1998/1999 and £13.77 million is in respect of previous tax years.

NO. 512 OF 1999

THE HON J J BOSSANO

INCOME TAX - PAYE.

Can Government state how much was collected in PAYE in February, March and April of this year?

ANSWER

THE HON THE CHIEF MINISTER

Subject to adjustment when reconciled with the Treasury Books PAYE collected in February 1999, March 1999 and April 1999, was:

	£m
February 1999	3.35
March 1999	4.13
April 1999	3.66

NO. 513 OF 1999

THE HON J J BOSSANO

INCOME TAX - PAYE.

Can Government give a breakdown of PAYE collected in 1998/1999 in respect of employees in:

- (a) MOD
- (b) Gibraltar Government
- (c) Government-owned and Joint Venture Companies
- (d) Private Sector Employment.

ANSWER

THE HON THE CHIEF MINISTER

The total amount of PAYE collected in 1998/1999 was £43.97 million analysed as follows:

	£m
(a) MOD	4.19
(b) Gibraltar Government	15.04
(c) Government-owned and Joint Venture Companies	2.56
(d) Private Sector Employment	<u>22.18</u>
	<u>43.97</u>

Figures are not final figures for the year and are subject to change.

NO. 514 OF 1999THE HON J J BOSSANO**INCOME TAX - DIRECT ASSESSMENTS.**

Can Government say what was the value of direct assessments of tax payable on (a) individuals, and (b) self-employed as at 31st March 1998 and 31st March 1999?

ANSWERTHE HON THE CHIEF MINISTER

The value of tax outstanding in respect of direct assessments on individuals and on the self-employed as at 31st March 1998 and as at 31st March 1999 is:

	31st March 1998	31st March 1999
Individuals	£4,198,789	£4,714,394
Self-employed	£7,463,254	£9,279,949

I would just like to point out to the hon Member so that he can better interpret that information, that the term "self-employed" is really something of a misnomer, as a more correct description would be assessments other than PAYE assessments. Because included in the self-employed total are high net worth individuals and qualifying individuals and individuals whose only source of income is unearned income. So he should not assume that the definition of self-employed comprises solely people who earned income in self-employment as opposed to employment.

SUPPLEMENTARY TO QUESTION NO. 514 OF 1999

HON J J BOSSANO

Well who is included then in the definition of individuals?

HON CHIEF MINISTER

People on PAYE.

HON J J BOSSANO

People on PAYE who are getting direct assessments in respect of what, not PAYE surely?

HON CHIEF MINISTER

No, but people on PAYE also get assessed when they have other income.

HON J J BOSSANO

I see. So this is the £4 million is the assessment made on persons who have already paid tax in PAYE and who in addition have got income which is not subject to PAYE.

HON CHIEF MINISTER

That is my understanding of the position yes.

HON J C PEREZ

Included there are people who live off some wealth which is not employment.

HON CHIEF MINISTER

They are the self-employed category. I should also add that the figures are cumulative so that they do not relate to tax payable in respect of one year of assessment.

HON J J BOSSANO

So in fact the figures that we have been given for 1999 will include what was not paid in respect of the figure for 1998.

HON CHIEF MINISTER

Absolutely.

NO. 515 OF 1999

THE HON J J BOSSANO

INCOME TAX - CORPORATION TAX.

Can Government state how many companies have now had assessments for the tax year 1996/1997, the total amount of Corporation Tax assessed and the amount received to date?

ANSWER

THE HON THE CHIEF MINISTER

The Corporation Tax payable as at 14th May 1999 on 1,342 companies now assessed for the year of assessment 1996/1997 totalled £10.73 million as follows:-

	£m
Assessed	13.85
Less Discharged	3.12
	<hr/> 10.73
Less Paid	9.60
Outstanding	<hr/> £1.13

SUPPLEMENTARY TO QUESTION NO. 515 OF 1999

HON J J BOSSANO

Are the Government in a position to say whether there is likely to be much of an increase now on this figure, given that it is for 1996/1997? I asked the same in relation to the figures for 1995/1996 at one stage and I was told that there was unlikely to be much movement. Is that true in this case, or can we still expect more to be coming in?

HON CHIEF MINISTER

Well I think it is unlikely to be very very significant or substantial but even from my own experience in legal practice of companies and their habits in filing accounts, I dare say that there are still companies out there from whom tax can be collected, that have not yet submitted accounts for these years, for this year of assessment. So I think we have got the lion's share but I would be surprised if the figures did not creep up with the passage of further time. I mean, two years is not an enormous amount when it comes to company accounts.

HON J J BOSSANO

When I started this line of questioning going back to 1996, I am sure the Chief Minister does not need reminding, he was telling me that in fact the level of collections must be because there was a backlog of arrears that was being collected and that we would see whether in fact with the passage of time the level was being maintained. Would he not agree that now that we have got what are very close to the final figures for 1996/1997, which shows a figure close to that for 1995/1996, not what was actually collected but what was assessed for that year, it indicates that the tax due based on profits in the private sector have been running consistently at about £11 million. If there was any question of arrears it was over and above the £11 million.

HON CHIEF MINISTER

Well, what the hon Member says is possible but because above all else corporation tax that is collected relates to so many different company tax years.

HON J J BOSSANO

This is assessments for that particular year, this does not cover more than one year surely. If it is it is not the information I am seeking, if that is the answer.

HON CHIEF MINISTER

Well, again, I would not dare answer that question. I would not without checking it out say with complete certainty that the answers given relate only to the year of assessment 1996/1997 as opposed to assessments made during 1996/1997 notwithstanding which year. But I tend to think that the answer probably is that it does relate only to 1996/1997. But before committing myself to that answer I would need to check it. I think probably these figures relate only to the year 1996/1997 in respect of the relevant basis period for that year of assessment. But I will check.

HON J J BOSSANO

But it is the information the question seeks. If it is not I would be grateful for the corrected figure.

NO. 516 OF 1999

THE HON J J BOSSANO

INCOME TAX - CORPORATION TAX.

Can Government state how many companies have not had assessments for the tax year 1997/1998, the total amount of Corporation Tax assessed and the amount received to date?

ANSWER

THE HON THE CHIEF MINISTER

This question is an exact duplicate of Question No. 517 which is the very next question. Both questions were signed by the Leader of the Opposition but each is written in the handwriting of a different person. I will answer it together with Question No. 517.

HON J J BOSSANO

Given that the Chief Minister has chosen to make a point of that, all I can tell him is that the House was told that I was sending some questions in at the time when some had already arrived from the office and that we were not sure whether the one that I was sending the second time round was already covered or not. I mean, it must be obvious that there would be no point in asking two identical questions unless I signed the same piece of paper in two different places.

HON CHIEF MINISTER

I think the hon Member misses the sort of tongue in cheek point that I was making, which is that clearly somebody other than himself writes some of his questions. The point being that they are each written by different hands. Obviously he was not seeking to ask the same question under an element of duplication, but the interesting point is that each has been scribbled out by a different hand.

HON J J BOSSANO

If the Chief Minister is mystified by that, I think if he cares to look at all the previous questions, he will find that they are all in different handwritings because it appears that the only handwriting that cannot be deciphered by the administration is mine. So I get my questions copied by people with legible handwriting. Primarily by my Colleague Juan Carlos Perez but if he is not available somebody else does it. So he will find that no handwriting in any question ever matches so that should put him out of his agony.

HON J C PEREZ

The Chief Minister will have noticed that the signature is not forged, it is the same one which is that of the Leader of the Opposition, because each question is signed. And I did tell the Clerk that indeed if there was any repeated question he should take it away.

MR SPEAKER

Actually the responsibility is the responsibility of the Speaker because I should pick that up. The trouble is that you only put in the question at the very last moment. Half an hour later I get communication from No. 6 that they want the questions there, so there was a ruling by the previous Speaker that it had to be five or seven days and it counts from the time not from the full day. So if I had more time it would not have happened.

NO. 517 OF 1999

THE HON J J BOSSANO

INCOME TAX - CORPORATION TAX.

Can Government state how many companies have now had assessments for the tax year 1997/1998, the total amount of Corporation Tax assessed and the amount received to date?

ANSWER

THE HON THE CHIEF MINISTER

The Corporation Tax payable as at 14th May 1999 on 1,315 companies assessed for the year of assessment 1997/1998 totalled £9.45 million as follows:-

	£m
Assessed	12.47
Less Discharged	<u>3.02</u>
	9.45
Less Paid	<u>7.71</u>
Outstanding	<u>1.74</u>

SUPPLEMENTARY TO QUESTION NO. 517 OF 1999

HON J J BOSSANO

Obviously in this case one can expect, given that it is a year later, that at this stage the figure is not directly comparable to the 1996/1997.

HON CHIEF MINISTER

Not at all comparable.

NO. 518 OF 1999

THE HON J J BOSSANO

INCOME TAX - PAYE.

Can Government state what was the amount of PAYE payable in the tax year 1997/1998 by area of employers as follows:

- (a) MOD
- (b) Gibraltar Government
- (c) Government-owned and Joint Venture Companies
- (d) Private Sector Employment?

ANSWER

THE HON THE CHIEF MINISTER

The total amount of PAYE payable in respect of the tax year 1997/1998 was £38.06 million analysed as follows:

	£m
(a) MOD	4.18
(b) Gibraltar Government	13.38
(c) Government-owned and Joint Venture Companies	2.49
(d) Private Sector Employment	18.01
	<u>38.06</u>

NO. 519 OF 1999

THE HON J J BOSSANO

INCOME TAX - HOME OWNERSHIP.

Can Government state what was the total amount claimed by taxpayers in respect of tax relief granted for home ownership in the tax years 1995/1996, 1996/1997 and 1997/1998?

ANSWER

THE HON THE CHIEF MINISTER

I am told that the Tax Office is unable to provide the information requested as no separate records are kept to monitor the cost of home ownership in terms of tax relief.

SUPPLEMENTARY TO QUESTION NO. 519 OF 1999

HON J J BOSSANO

Does the Chief Minister have the amount of tax relief granted in the different years in respect of the £10,000 capital sum which was provided previously? I can understand that perhaps the interest element may be impossible to extract but I think the capital sum was one that they kept a record of.

HON CHIEF MINISTER

Well it may be available but it has not been provided to me, so I will find out for him if that is available, but it is not on my paper.

NO. 520 OF 1999

• THE HON J J BOSSANO

IMPORT DUTY - CIGARETTES.

Can Government confirm whether the trend of the cigarette imports reflected in receipts of import duty to December 1998 has continued in the first three months of this year?

ANSWER

THE HON THE CHIEF MINISTER

Now that the hon Member has revealed to me in a moment of peak what he wants the information for I suppose that I had better be careful how I give it to him. The import duty receipt figure for the first three months of 1999 is below the average quarterly figure for 1998.

SUPPLEMENTARY TO QUESTION NO. 520 OF 1999

HON J J BOSSANO

Well I did not have the information at the time of the question but in fact, is there an indication of a trend or is he comparing it with the same three months of last year or the previous quarter?

HON CHIEF MINISTER

No no, the comparison of the first quarter of 1999 is with the average of the four quarters of 1998. The figure for 1999 for the first quarter, is actually higher than the figure for the first quarter of 1998 but lower, much lower, than the figure for the second quarter of 1998 and lower by a significant margin than the third and fourth quarters of 1998.

HON J J BOSSANO

Yes, but is it not the case that in the second part of the first quarter there were unusual circumstances affecting perhaps the flow of business?

HON CHIEF MINISTER

Indeed. We have not addressed why, it is lower in the first quarter than in the second, third or fourth quarters in the previous year and I cannot tell him whether it is a trend. I can tell him that there is a downward trend commencing with the second quarter of 1998. So the third quarter is lower than the second quarter 1998, the fourth quarter is lower than the third quarter, the first quarter 1999 is lower than the fourth quarter, but whether the figure for the first quarter of 1999 is lower by virtue of the continuation of the trend in 1998 which is downwards, or whether it is due specifically to the unusual circumstances at the border, I cannot tell him and we shall find out in the second quarter, if the situation began to recover.

HON J J BOSSANO

I think, if my memory serves me right in fact, that the average for that quarter shows a lower than normal figure for February, is that not correct?

HON CHIEF MINISTER

I cannot tell the hon Member because I have not got the monthly figure. Actually I have got the monthly figures. Not on the paper that was written but on the next one. Surprisingly, the figures for February 1999 in terms of import duty collected in cigarettes rather than volumes, was only marginally lower than the corresponding figure for 1998, but of course one has got to bear in mind, I cannot remember when we introduced the import duty increases on tobacco. That was in 1997, that was when he gave up smoking. So yes, then it is surprising that the figure is within £20,000 one February to the other.

I have here a note, if the hon Member would just give way to me, that the duty on other brands was increased to bring them into line with American brands in October 1998 but I do not think it was that reason. That does not sound right, it must have been October 1997.

HON J J BOSSANO

Yes it was October 1997 because I used to smoke.

NO. 521 OF 1999THE HON J J BOSSANO**FAMILY EXPENDITURE SURVEY.**

What was the average weekly household expenditure of all households, in Spain, giving a breakdown by each of the eight groups of expenditure, as calculated from the Family Expenditure Survey results of 1998?

ANSWERTHE HON THE CHIEF MINISTER

The 1995/1996 Family Expenditure Survey gives the following results:

AVERAGE WEEKLY HOUSEHOLD EXPENDITURE IN SPAIN

	£
Food	9.28
Alcohol and Tobacco	0.42
Clothing and Footwear	2.43
Durable Household Goods	0.72
Housing	0.17
Services	1.26
Other Goods	1.88
Transport and Vehicles	0.59
TOTAL	16.75

SUPPLEMENTARY TO QUESTION NO. 521 OF 1999

HON J J BOSSANO

The figure of 16.75 is related to the average household expenditure in Gibraltar which I think was in excess of £300, is that correct?

HON CHIEF MINISTER

I take the hon Member's word for it. I cannot remember what the Survey threw up as the average household expenditure.

HON J J BOSSANO

Would the Chief Minister not agree that in fact, if these figures are accurate, obviously they are based on responses from the households, that they could not indicate a very large level of expenditure by residents in the hinterland, which is an assumption which I think was not based on any figures before, was based on a feel for the situation.

HON CHIEF MINISTER

Yes, these are average figures and therefore as I think we all know do we not, that there are many people in Gibraltar who do not go shopping in Spain at all and there are some people in Gibraltar who shop a lot in Spain and this is what one gets when

one gets the average. I suspect that thousands of Gibraltarians do not go to Spain to shop at all on a weekly basis and many go regularly and one can see them and they go and do their weekly shopping in PRYCA and come back. I think that is probably the explanation. Of course, the hon Member should know this is a household expenditure so it does not include, for example, expenditure on holidays. So if somebody goes to Fuengirola or to Marbella for three weeks on their holidays, that is not included in this.

HON J J BOSSANO

No because it would be included in the amount shown in the public expenditure survey being spent on holidays irrespective of where the holiday is.

HON CHIEF MINISTER

Exactly so.

HON J J BOSSANO

In terms of what this translates to as £x millions a year of expenditure in the hinterland, I mean this does not reflect the situation at all.

HON CHIEF MINISTER

No I think that most of the expenditure is spent on holiday related things and I do not think the loss of expenditure on what we might call recurrent durable consumable expenditure, is significant. But if the results of this survey are to be believed I agree with the assessment that the hon Member is making as a first reaction to hearing these figures, that it would not suggest a massive outflow from the economy in terms of retail expenditure in the hinterland.

NO. 522 OF 1999THE HON J J BOSSANO**RATES - ABANDONED CLAIMS.**

Can Government say what was the value of abandoned claims in respect of arrears of rates and penalties in the financial years 1997/1998 and 1998/1999?

ANSWERTHE HON THE CHIEF MINISTER

The value of abandoned claims, that is amounts written-off, during the financial years 1997/1998 and 1998/1999 is as follows:

	Rates	Penalties	Total
1997/1998	£42,306	£24,219	£66,525
1998/1999	£88,922	£75,389	£164,311

SUPPLEMENTARY TO QUESTION NO. 522 OF 1999

HON J J BOSSANO

Are these primarily connected to the companies that have been put through the process of liquidation by the Arrears Unit?

HON CHIEF MINISTER

I am told by he who has to sign the bit of paper to lawfully write-off such debts that it could be that generated by the Central Arrears Unit but it could also be debt which just stays on the arrears list year after year and which the Financial Secretary and the Accountant General have judged there is no prospect of recovering. I think the point is that I am not sure that the Government always pursues to winding-up every company of whom it writes-off a debt.

HON J J BOSSANO

But presumably when the decision is taken to write it off it is because a judgement has been made that it is not collectable any more.

HON CHIEF MINISTER

Yes but the company is not necessarily wound up. Yes the judgement is made that it is not collectable that it is a bad debt.

HON J J BOSSANO

Yes but either the company is not wound up because it has disappeared or one would not allow a company to keep on trading and owing money.

HON CHIEF MINISTER

No absolutely. Because the company is defunct, abandoned, inactive, yes. We would not abandon debt in respect of an active company unless there was presumably some valid claim that an error had been made and it settled the way in a bona fide context.

NO. 523 OF 1999

THE HON J J BOSSANO

GOVERNMENT TENDERS.

Can Government specify in which of the tenders awarded since December 1997, did the inclusion of the criteria that the tenderer employ Gibraltar labour, influence the selection of the successful tenderer, and in respect of each such successful tenderer the number of Gibraltarians employed at the time of the tender award?

ANSWER

THE HON THE CHIEF MINISTER

A total of 134 tenders have been awarded since December 1997, (73 supply tenders, 37 works tenders and 24 service tenders). The criterion referred to in the Question only applies to works tenders and service tenders. The provision of the information sought would require an analysis of the Minutes of the Departmental and Treasury Tender Boards relating to all those awards. That requires a disproportionate administrative effort.

SUPPLEMENTARY TO QUESTION NO. 523 OF 1999

HON J J BOSSANO

Will the Government undertake to record that information from now on and then it will not require a disproportionate administrative effort.

HON CHIEF MINISTER

Certainly I can ask the Treasury Tender Board to keep a running total of all those cases in which the bid has not been given to the lowest bidder because of employment considerations.

NO. 524 OF 1999

THE HON J J BOSSANO

GIBRALTAR DEVELOPMENT CORPORATION.

Can Government state whether employees of the Gibraltar Development Corporation are public officers?

ANSWER

THE HON THE CHIEF MINISTER

Under the Interpretation and General Clauses Ordinance, "public officers" means "any person in the service of, or holding office under the Crown in right of the Government of Gibraltar, whether such service or office be permanent or temporary, or paid or unpaid".

None of the employees of the Gibraltar Development Corporation fall under that definition.

SUPPLEMENTARY TO QUESTION NO. 524 OF 1999

HON J J BOSSANO

So when the decision was taken to bring legislation to the House to transfer the functions of the Financial and Development Secretary to the Finance Centre Director or other public officer, it was not intended that it should be an employee of the Gibraltar Development Corporation, which I understand. But is in fact the Finance Centre Director a public officer? He is not.

HON CHIEF MINISTER

The intention was that it would either be the Finance Centre Director or one of the Civil Servants in the Ministry for Trade and Industry, so yes he is right in the conclusion reflecting the first part of his Supplementary that it would not be any other employee of the Gibraltar Development Corporation.

By stint of the definition that I have now given him, and given that the Finance Centre Director's contract is with the Gibraltar Development Corporation, he is not a public officer as defined in the Interpretation and General Clauses Ordinance.

HON J J BOSSANO

So, is this a deliberate policy decision of the Government that it should be a public officer unless it happens to be him. Obviously that they thought was a public officer.

HON CHIEF MINISTER

Not really. He is sufficiently senior and experienced, notwithstanding that he is not a public officer, to discharge that function. I think it is true to say other officers of the Gibraltar Development Corporation engaged in relation to financial services are much less senior, and that therefore if it was not going to be done by the Finance Centre Director it would have to be one of the Civil Servants in the Department of Trade and Industry.

HON J J BOSSANO

If the seniority is because of what he gets paid then obviously he is the most senior person in Gibraltar because he gets £80,000 tax free. So that makes him very senior. More senior than all of us put together. But I mean, independent of his income, seniority in what sense? He is the equivalent, other than salary wise, there must be people who are Heads of Departments who in their establishment are as senior as he is in his.

HON CHIEF MINISTER

Well, seniority in the sense that he is a professional man with judgement and experience in whether it is right or wrong that a particular company should be given exempt status and qualifying status. So it is not seniority by reference to any grading or by reference to any formal structure but he is the sort of individual in whose judgement the Government can have confidence in the exercise of the discretions attached to that function. That is what I mean by perhaps suitability is a better word than seniority.

HON J J BOSSANO

And the Government do not feel that it is something that ought to be done by a public officer. That is to say, that somebody who comes in from the private sector and may go back to the private sector, should really be deciding who gets tax free status and who does not. I mean, do the Government not accept that in fact in the scenario we have got today, we were talking earlier about whether the contract is renewed or not. He could be in competition with people in July this year over who he has been presiding and making a judgement.

HON CHIEF MINISTER

Well, indeed, as was the previous I do not know what Mr White's title was in the Income Tax Office, but there is a man who one day was assessing your tax and mine and the next day he went into the private sector and started advising the very people whose tax he had been collecting before, presumably advising them on how they should organise their affairs to pay less. Nor would the defect, if a defect it is, nor would the issue that the hon Member is addressing, be corrected by him being a public officer. Because a public officer could be a contract officer. I mean the Financial and Development Secretary is not a permanent and pensionable employee, he is a public officer but he is a contracted public officer, and he could theoretically have left his job, as indeed the previous's predecessor did, left from the office of Financial and Development Secretary to (at least he tried) a private sector job with a local connection. The point that the hon Member makes, if it is a good point, is not addressed by whether one is a public officer or not but whether one is a permanent and pensionable public officer as opposed to a contracted public officer. I think there is little difference in terms of the point that he has raised, between a contracted public officer and an officer contracted by the Gibraltar Development Corporation, in that both terminate their contracts and theoretically are free to go straight into the private sector into related employment.

HON J J BOSSANO

I think there is some validity in the argument in the example the Chief Minister has given, but it is not entirely correct. Because I would imagine the tax assessment process in the tax office does not allow the freedom of discretion as to whether one is given the status of not paying tax or given the status of paying tax. They may be better or less good at assessing the level of profitability in relation to what is declared

and in that context well, perhaps somebody that knows how the assessments are made is better placed to advise somebody else how to prepare the information for those assessments. But the point is that it seems to me that when the legislation was brought to the House, on the basis that it was the Finance Centre Director or other public officer, it seemed almost to suggest that the policy was to retain it in the hands of somebody who was a public officer.

HON CHIEF MINISTER

First I think the hon Gentleman sort of kills the lily a little bit when he talks about this being a function that decides whether somebody pays tax or does not. No, because by definition anyone that applies for tax exempt status is somebody who is not otherwise liable to pay tax in Gibraltar. I mean, the applications would not come in respect of you or me, they would come in respect of some non-resident individual whom if he did not obtain tax exempt status would not establish the taxable activity in Gibraltar in the first place. So we are not talking about a discretion to exempt from tax, somebody who would otherwise pay tax. In the second place, there is relatively little discretion. There are guidelines, the guidelines are operated by people at HEO level, who do the paperwork and who handle their, for example, when it was the Financial and Development Secretary, signing off the certificates - which is what the Finance Centre Director is now doing. The paperwork, the application will be continued to be assessed against established guidelines by the same sort of staff that used to do it before. Indeed I think one of them, the principal officer, is coming across with the function and indeed some of his subordinates. Therefore, the only real element of judgement, is whether the people behind the company are fit and proper in the sense of whether there is any known criminal involvement, and that is a judgement that is made in the Law Enforcement Agencies through certain enquiries that are made on a standard basis. So all I am trying to say is that in real terms, the element of discretion exercised is very little. Because unless something is known about the underlying shareholders that makes them undesirable, the application would tend to be granted. And such discretion as exists is going to be exercised in practice by the same people that have always exercised it, and if there is a problem area, it is going to come to the place where it has always gone, in effect, to Ministers for a policy decision. So really, in a sense, there are very little changes.

NO. 525 OF 1999

THE HON J J BOSSANO

JOHN MACKINTOSH HOMES.

What are the proposals that have been put to the Board of John Mackintosh Homes by Government and when were these proposals made?

ANSWER

THE HON THE CHIEF MINISTER

On 27th January I wrote to the Chairman of the Board of Governors to enquire whether the Trustees and/or the Board of Governors would consider making the buildings available in the context of restructuring the services available for care for the elderly.

SUPPLEMENTARY TO QUESTION NO. 525 OF 1999

HON J J BOSSANO

Is that the only proposal that has been put?

HON CHIEF MINISTER

It is the only proposal that is of relevance to the Board of Governors. Because in a sense, what we are saying to the Board of Governors is stop providing the service and make the building available for the service to be provided in a different context and by a different party. So there is no need really for us to put detailed proposals to the Board of Governors as to the future operation.

HON J J BOSSANO

So effectively the proposal of the 27th was "will you let us have the building so that we take over the running of the John Mackintosh Home". Is that the proposal?

HON CHIEF MINISTER

Not necessarily we but some other entity. In other words, an entity other than the Governors of the John Mackintosh Hall. Certainly it would be an entity in which the Government will have more input, given that I have spoken, the hon Member will notice that I have not spoken about the continuation of the Mount Alvernia service as it now is, I have spoken about in the context of restructuring the services available for care for the elderly. Therefore, what we want for Mount Alvernia is that it should form part of a wider project for delivery of elderly care services, expanded services and not just a continuation of the existing residential home services.

HON J J BOSSANO

What reply, if any, have they had to date since 27th January?

HON CHIEF MINISTER

The Board of Governors are in principle content. A process of discussion is taking place. They have suggested to the Government that they have a number of concerns that they would wish to see protected, continuity of making sure that the property carries on being used for purposes consistent with the will of John Mackintosh, that sort of thing. We have not yet had formal agreement to the Government's proposal to them but discussions are progressing on the assumption that, and on the basis that, that formal agreement will be forthcoming.

HON J J BOSSANO

The Chief Minister talks about the Board of Governors as if it was some kind of independent organisation, but in fact we have got the Deputy Governor there and Government representatives and I think representatives of the different denominations in Gibraltar. So really, in terms of the Board of Governors, who precisely do the Board of Governors pick that is not already predominantly the input of the Government?

HON CHIEF MINISTER

Well, the hon Member must know the answer to his own question. He has been in government for eight years, he knows that although the Government of Gibraltar now increasingly provides by way of subvention the lion's share of their revenue, that the Governors of the John Mackintosh Home are not a Government service. They are not delivering a service on behalf of the Government. Such influence as the Government wields in there, it wields because it pays the piper and that is not the same thing. There are no Government representatives on the Board of Governors of the John Mackintosh Homes. The Deputy Governor is not there representing the Government, he is there because the will of John Mackintosh specified that the Deputy Governor, in his capacity as Deputy Governor, should be the Chairman. But the Board in no sense is obliged to pursue Government policies, nor is it obliged nor does it deliver a service on behalf of the Government. I have to say I am a little bit surprised that the hon Member should indicate so starkly that this is as good as a Government Department.

HON J J BOSSANO

Well, I have not said anything about delivering a service on behalf of the Government. All I am saying is, if the Government go to the Board of Governors, I mean the Board of Governors gets the money from the Government and depends on the Government's money to survive.

HON CHIEF MINISTER

Therefore they do what we tell them.

HON J J BOSSANO

Well they do what the Government tell them because the Government say they want to take over the whole place and pay for the whole of it. I cannot understand who in the Board of Governors has the negotiating capacity to say no. So, who is it?

HON CHIEF MINISTER

No, no one is saying no. The Government do not think that it is proper to allow the responsibility for the delivery of the service to rest with the Board of Governors who are then expected to do as they are told. Well if the Government are going to throw its weight around and say because I pay I say, then the decent thing is for the

Government to relieve the Board of Governors of the responsibility. The Government also keeps afloat GBC and contrary to what the hon Members believe, we do not tell them what they have got to do. And this idea that the Government uses the power attaching to the fact that it is paymaster, to seek to control organisations which it finances but which are not part of the Government, it is not in the style of at least this Government. I do not know if the hon Member had that approach when he was in office. We take the view that we provide a subvention and that means that we certainly expect our views to be taken into consideration but we do not issue instructions to the Board of Governors. We do not say to the Board of Governors "because we pay you will do this that or the other". The only case that I can think of on my feet of that, is that we did say to the Board of Governors "it is Government policy that publicly funded employees should be recruited by open recruitment process following advertisement, given that in practice, employees in Mount Alvernia are through the subvention almost completely financed by it, would you agree to fall into line with Government recruitment policy?" And they agreed to do so. But other than that, I really cannot think of any other areas in which the Government has sought to issue instructions simply because we pay a subvention upon which they rely.

HON J J BOSSANO

Well certainly if there is truth in the stories that I hear, they issue instructions even when they are not paying, never mind when they are. But then of course I do not pursue my questions in this House based on the stories that I hear outside. That practice stopped on 16th May. The question is, is it the case then that the problems that staff in Mount Alvernia have been experiencing in the last three or four months because of some pending undecided negotiations, is related to the fact that the proposals of Government to the Board has still not been accepted or rejected or agreed?

HON CHIEF MINISTER

No, the Government are not yet free to deploy the new structure and the new services and the new management and the new organisation that it wants in that context, because we have not yet got our hands on the building.

HON J J BOSSANO

Well I am not sure that anybody there is asking for new structures and new management and new anything. The problems to which I am referring are problems which are related, not to anything new but to things old. That is to say, is there any problem with Mount Alvernia continuing to get the finance it requires until a decision on the new structure is made?

HON CHIEF MINISTER

There is no problem on it getting the finance that it requires, but of course there appears to be a difference of opinion between the staff and the management about what is required. The hon Member should be aware that there has been no decrease in the establishment at Mount Alvernia, indeed there has been an increase, since May 1996. The management have never put to the Government a request for funding for additional personnel which has been refused. I am aware that there are two, possibly even three now, vacancies for qualified nurses as opposed to the nursing assistant, that they have not been able to fill because they are competing for recruits for qualified nurses from the Health Authority, that also has vacancies in qualified nurses, but of course the terms and conditions are better. Therefore Mount Alvernia finds that it has got vacancies which it has got funds to fill, it puts out advertisements but it finds that there are no takers for the job. Those are the only difficulties that I am aware in respect of staffing problems at Mount Alvernia.

HON J J BOSSANO

But irrespective of how long it takes to sort out whatever problems there may be, the continuing operation on the basis that it is now, I mean the Government are not in any way impeding the flow of money to the existing operation.

HON CHIEF MINISTER

Absolutely not. Not at all.

HON J J BOSSANO

Can I ask, is in fact, have Government made any kind of provision in the Estimates in the House in the expectation that some agreement will take place during this current financial year or not?

HON CHIEF MINISTER

No we have not.

HON J J BOSSANO

So the possible financing implications of any changes in the structure are not reflected in the Estimates.

HON CHIEF MINISTER

They are not reflected in any identifiable Head of the Estimates but they will have to be funded through an existing Head and Subhead, fed through either savings or virement, or from the Supplementary Funding vote. But there is no specific Subhead which makes provision for the possible financial implications of anything further that we might do in that area.

HON J J BOSSANO

And is the nature of the proposal that the elderly persons home should be managed by a private contractor, as happened in the case of Milbury, or are we talking about them being incorporated into the Health Service?

HON CHIEF MINISTER

I was wondering how long it was going to take the hon Member to put that question. He has camouflaged it well. Those decisions have not been made. It is unlikely that the structure, the restructured structure of which we are talking, it is unlikely that it will be integrated into the Gibraltar Health Authority or the Government.

HON J J BOSSANO

But the proposal put to the Board at the moment is not definitely one or the other. It is unlikely but it is not ruled out?

HON CHIEF MINISTER

No, I cannot remember the exact wording of the letter but certainly, the letter makes it clear that it would be a structure which would be formally closer to the Government but it does not say it is going to be the Government. I think the Trustees understand that.

HON J J BOSSANO

Well presumably the Trustees would have had very little to do with the structure once the structure is in. I would have thought the people who would be most interested in knowing what is on offer are the employees rather than the Trustees who, presumably, will have very little part to play in the new proposals, no?

HON CHIEF MINISTER

No we have not ventilated the proposed restructure with the Governors at all. The hon Member is trying to prise information out of me prematurely. It is not yet crystallised. The Government have not yet made a final decision on the form of the model of the new structure that it wishes to see replace the current one.

HON J J BOSSANO

So in fact, the only thing that the Government have done since January is to say to the Trustees "can we have your buildings?"

HON CHIEF MINISTER

Well, we have put the position in writing, we have had a couple of meetings with them to explain our thinking, and we have not thought it appropriate to impose ourselves on them by harassing them to make a decision more quickly than such entities are accustomed to making their decisions. They would have to take legal advice, they would have to consult the Trustees, the Board of Governors has had to consult the Trustees of the Trust, they have got a process, they have had discussions amongst themselves, they have had discussions with us. It is not true to say that all that has happened since February or January that we have sent the letter. There has been a process of bilateral discussions and unilateral discussion, both between themselves and between ourselves, and them together.

HON J J BOSSANO

Is the staff conscious of the fact that this is going on? Because they seemed to have very little idea, notwithstanding the fact that I think they have had meetings with the Minister for Health, they seem to have very little idea of what in fact is being thought about.

HON CHIEF MINISTER

Well, it is not usual for governments to consult staff about what they are thinking about. It is appropriate for the Government to consult the staff's representatives in terms of their Union, when the Government have themselves made up their mind of what it would like to do, and then consults the Staff representatives about what the Government would want to do there, as opposed to varying thought processes in the run up to that. It is not usual to share your thinking with your staff until it has crystallised into a proposal.

HON J J BOSSANO

But in this case what we are talking about really is a transfer of undertaking where the undertaking has got Trustees who depend on a Government subsidy, and where it is not very clear. I can well understand that they have to make sure that any assets that were left by the will of John Mackintosh, that nothing is done which in any way conflicts with the terms of the will, I can understand that that part is one and obviously the Government would want it that way, understandably. But independent

of that, if what we are talking about is a completely new entity replacing what is there, or not even replacing it, something bigger incorporating what is there, then I would have thought an early indication that this is what is being thought of should have been given by now. Given that the first approach was made in January.

HON CHIEF MINISTER

That is almost a rhetorical question. The hon Member thinks it should have happened by now and we do not think it should have happened by now. I do not think we can carry on bantering on this basis.

NO. 526 OF 1999

THE HON J J BOSSANO

HOME OWNERSHIP SCHEME.

Do Government apply any nationality conditions in considering applications for participation in the 50/50 Home Ownership Purchases?

ANSWER

THE HON THE CHIEF MINISTER

When considering applications for participation in the Government Shared Home-Ownership Scheme, the Government applies the conditions that are set out in the Underlease as to who is eligible to be a lessee.

The Underlease states that for a person to be a lessee, that person must satisfy the provisions of the Housing Allocation Scheme on the eligibility for Government Housing.

SUPPLEMENTARY TO QUESTION NO. 526 OF 1999

HON J J BOSSANO

Well, does that mean that only persons, if I have understood it right, only persons who are on the waiting list may buy on a 50/50? (Or can join the waiting list).

HON CHIEF MINISTER

Eligible for Government housing. In other words, that could be eligible to be on the waiting list.

HON J J BOSSANO

They have to be eligible to be on the waiting list, is that correct?

HON CHIEF MINISTER

Yes.

HON J J BOSSANO

I see. So that means, in fact, that if I have understood the answer, I mean I am not particularly familiar with what the Underlease says, but it certainly does not seem to be to me what the Underlease was providing when Westside I and Westside II were sold, because all one needs to do is to have a walk around the Estate and listen to the accents to realise how many of the people there were not eligible for Government housing.

HON CHIEF MINISTER

Well, if he is referring to Anglo-Saxon accents.

HON J J BOSSANO

Absolutely.

HON CHIEF MINISTER

Then one has got to bear in mind that some Anglo-Saxons have married Gibraltarians and that might explain their presence on the Estate. But certainly I can tell him that he said that he is not familiar with what the nitty gritty of this is, and nor really would I, but if he asks the question what I can tell him is that there has been no change. The position continues to be what it has always been. We have not changed policy in this matter from what it was when they were in office.

HON J J BOSSANO

I accept what he is telling me but I am not aware that people were experiencing difficulty previously on the basis that because they were UK nationals, even though they might have been here a lifetime, they were not able to buy on a 50/50. I understand that there have been cases recently, and people have approached us on this, and our response has been "well it did not seem to be happening before".

HON CHIEF MINISTER

The only case that I personally am aware of is of a Spanish lady that has had a business in Gibraltar, I think a fritter business in Gibraltar, for quite some time. It is the only case that I am aware of that we have not allowed access to the 50/50 scheme. That was on a re-sale, the lady wanted to buy a flat that was already on a 60/40 in effect.

HON J J BOSSANO

No I am aware of that case but the specific cases that I am referring to in the last couple of months are people who are UK British but with the lifetime residence in Gibraltar. But I think strictly speaking by the letter of the Housing Regulations will probably not be eligible to apply for Government housing, but otherwise they have got a long-standing connection with Gibraltar. My understanding is that that kind of case before was allowed. But if it was not and there has been no change, I stand to be corrected.

HON CHIEF MINISTER

I think the hon Member should assume that it is unlikely that we will be tougher even than him in that department.

HON J J BOSSANO

Well perhaps by mistake, deliberately.

NO. 527 OF 1999THE HON J J BOSSANO**HOME OWNERSHIP SCHEME.**

What is the policy of the Government as regards persons who wish to re-sell property owned 100 per cent to purchasers who wish to obtain 50/50 finance from Government?

ANSWERTHE HON THE CHIEF MINISTER

The Government do not as a matter of general policy extend the 50/50 scheme to the purchase of a property owned on a 100 per cent basis by the seller. However, Government will consider each case on its merits and may allow it in appropriate circumstances.

SUPPLEMENTARY TO QUESTION NO. 527 OF 1999

HON J J BOSSANO

Have there been such instances of being considered on their merits and being allowed?

HON CHIEF MINISTER

I think there has been only one, and it was a case of a young family who had bought themselves a 50/50 flat in the Brympton Estate on 50/50, they had the first or subsequent children, that flat had grown too small, the flat next to it (which was on a 100 per cent) became vacant and really they had the choice of moving out of Brympton altogether, selling up their 50/50 flat (which they had invested money on the refurbishment and redecoration), and they came to us and said look, to save us having to sell up from what is presently our whole home and incur all the costs, would Government just give us a 50/50 for the flat next door, which was on a 100 per cent. We said yes, but not in respect of the whole flat. In other words, the result of the decision was that they got the 50/50 on so much of the second flat as when added to the whole of the first flat, amounted to the largest flat on the Estate in which 50/50 had been given. So they did not get 50/50 for the whole of the two flats. They got 50/50 for part of the second flat. Because they wanted to join the flat and make one larger home incorporating their existing one, rather than have to sell up, move, give up all their fixtures and fittings and carpeting and everything else they had put in, and go and buy a bigger flat, perhaps on a 50/50, in a completely different Estate. There was no logic to it. So that was a situation which it was permitted and I think that was the only one.

NO. 528 OF 1999

THE HON J J BOSSANO

SCHENGEN AGREEMENT.

Have the Gibraltar Government informed the United Kingdom Government which aspects of the Schengen Agreement it wishes Gibraltar to participate in?

ANSWER

THE HON THE CHIEF MINISTER

Yes Sir.

SUPPLEMENTARY TO QUESTION NO. 528 OF 1999

HON J J BOSSANO

Would the Government like to inform us which aspects of the Schengen Agreement it wishes to participate in.

HON CHIEF MINISTER

The Government would be very happy to inform Opposition Members except that we have already said so publicly. We have said to the British Government on several occasions that we wish to participate in all parts of the Schengen implementing Convention. Well more than that, in any part of the Schengen *acquis*, into which the UK is opting in. In other words, we do not wish to be excluded from any part in which the UK is included.

HON J J BOSSANO

Can the Government then explain why it is that in answer to a Parliamentary question, the Minister has said that this is now what it is that Gibraltar wants to be included and is under discussion with the Gibraltar Government. If all that they have done is say several times we want to be in, in what you want to be in, what exactly is the discussion that has taken place?

HON CHIEF MINISTER

I cannot explain that reference. The Government wrote twice saying that we wanted to be in all parts that the UK were in. On the occasion of a very recent visit by me and the Chief Secretary to London, we were asked to go to the Foreign Office, where we met with officials from the Foreign Office and the Home Office. They took us through article by article, the ones that the British Government was wanting to opt into. They expressed the view that some of those may not be appropriate for Gibraltar for a number of reasons. We came away and considered the situation and wrote back as a follow up to that meeting saying we had thought about it and we think on balance, we stick to our previous position which is that which we have never changed. In other words, our position remains as we had stipulated, specified before that meeting. So, I do not want to be critical of Parliamentary answers but to the extent that that suggests that there has been any indication by the Government that its position on the matter was negotiable, it does not totally reflect the position. Certainly, the United Kingdom has at that one meeting and in a subsequent follow up

letter, explained to us why they think some of the bits that they are opting into ought not to be extended to Gibraltar. Then we replied. I do not know if that constitutes a discussion but certainly there has never been any indication by the Government that our position had changed from what we had put in writing twice before that meeting. Namely, that we wanted it all extended to us.

HON J J BOSSANO

It is the case then that we are being given the option to opt in or not opt in independent of the United Kingdom, is that correct?

HON CHIEF MINISTER

No it is not correct. We are not being given the option to opt into anything that the United Kingdom is not opting into. So, from the things that the United Kingdom is opting into, the United Kingdom is suggesting that we should be excluded from some of them for legalistic arguments.

HON J J BOSSANO

If we have got an element of choice in deciding whether we want to go in or not, should there not be an opportunity to discuss what are the options rather than the Government committing Gibraltar to go in but none of us outside the Government know what it is we want to go into?

HON CHIEF MINISTER

Is the hon Member suggesting that there might be bits of the Schengen Convention from which he wishes to be excluded?

HON J J BOSSANO

Well there might well be if I knew what they were.

HON CHIEF MINISTER

They are matters that relate to extradition, matters which relate to mutual legal assistance, matters which relate to police and customs co-operation, especially rules about hot pursuit and one aspect, one clause, one article for which the legal base is the old Article 100A of the Treaty, now Article 95 of the Treaty establishing the Community, which is the freedom of movement of goods, the single marketing goods, which as he knows does not apply to Gibraltar. Those basically are the four areas, there are two articles, well more than two articles, there are two parts of the Schengen Convention which supplement, which build on much earlier Conventions. In the case of the Mutual Legal Assistance I think a 1959 or 1960s Convention, which does not apply to Gibraltar. The argument is well, if the Convention which is being built on and which is being modified does not extend to Gibraltar, then how can the modifying bits by themselves extend to Gibraltar. That accounts for two of the sections, for two of the parts. The other is this one which has been provisionally given a legal base in article 95 of the Treaty establishing the Community, which is the one for which we do not apply Directives at the moment, because they relate to goods. Then there is this one about police and customs co-operation and rights to hot pursuit across borders, across land borders. Those are the four areas from which the UK thinks we ought to not be included.

HON J J BOSSANO

Well I would have thought the Government were not very keen to be seeing hot pursuit across land borders given that pursuits are likely to be in one direction.

HON CHIEF MINISTER

Well the hon Member will be I am sure interested to know that those are precisely the arguments deployed by the Foreign Office. The hot pursuit of course would be reciprocal and it is not just hot pursuit. Hot pursuit does not mean that one just goes across, one goes across on terms of notification, advice, permission with this time and all the sorts of procedures that would be difficult for the Spaniards to recognise. The Government does not attach great importance to inclusion or non-inclusion in those bits for the substance of them but the Government are worried, as we said in the Press Release that I issued, that if for whatever reason Gibraltar is excluded from any bits that the UK now wishes to opt into, there is the danger that when the UK, if the UK at any time in the future, chooses to opt into the Internal and External Frontiers parts of the Schengen implementing Convention, that others might say, "well look, if you for your reasons opted out of this then the principle of universal application to Gibraltar cannot be sacrosanct so why is it such a big deal to agree to exclude them from the bits that we have difficulty with you including them in". That is principally the areas that concerns the potential argument that concerns the Government. The hon Member indeed will recall that at the time of the Naples 1, he came under pressure from the United Kingdom Government to sign up to it, and he was reluctant to do so precisely because of the hot pursuit provisions in it. So, all these things have to be put carefully into the balance and because these provisions are now contained in the Schengen acquis, and because there are other things in the Schengen acquis, exclusion of Gibraltar from which would really be prejudicial, and I am sure he will agree on that, I think there is a danger in Gibraltar to be seen to be cherry picking, if I can borrow that phrase from the UK, from what the UK is itself accused of doing in relation to Schengen. If Gibraltar or the UK in respect of Gibraltar is seen to be cherry picking, then it strengthens the hands of others who may wish to exclude us from other bits, from other cherries, from the same cherry bowl.

HON J J BOSSANO

So in fact the Government have got no guarantee that by saying it wants to be included, Gibraltar will be included, no?

HON CHIEF MINISTER

Of course not. The hon Member knows that Governments of Gibraltar fight their corner and put their case across and then the United Kingdom Government takes the Government's views into account or not, as it pleases, and then makes its decisions in accordance with what it calls the balance of its national interests. I can tell the hon Member that I have discussed this matter with the Minister, with Joyce Quinn, I believe that Joyce Quinn is wanting to bat hard for Gibraltar and wanting to resist pressure that they might come under from Spain, it is early days in the negotiating process. I believe that Joyce Quinn is on side on this matter. We have got to bear in mind that this is a matter in which negotiations on behalf of the UK are not driven by the Foreign Office but by the Home Office and therefore, it remains to be seen the position that HMG will take. Certainly I can tell the Opposition Members that at this stage, we have not yet succeeded in persuading the UK Government of the merits of our views.

HON J J BOSSANO

Well, I do not think that the Chief Minister has succeeded in persuading me of the merits of his views. I can well imagine the difficulty he has with the UK Government. I have got other questions on related subjects.

HON CHIEF MINISTER

Can I just ask, as he is not obliged to answer my questions, but is he suggesting that there are circumstances in which he would support the exclusion of Gibraltar from part of the Schengen Convention?

HON J J BOSSANO

Well yes. What I am suggesting is in fact that we should have the same right to choose as the United Kingdom has negotiated for itself. I do not see why what is good for the UK is necessarily good for us, any more than what is good for us is necessarily good for them. So I think the position of Gibraltar should be that if they have negotiated, and they announce it with such pride in the House of Commons that they had negotiated the right to opt in, then we should say we want the same right to opt in. But if in fact what we have is a position where we can apply to join everything and then Spain will decide which of the things we apply they will agree to, then it seems to me we are putting ourselves in a very vulnerable position.

HON CHIEF MINISTER

Well, first of all let us agree that we are only talking about the right to opt in to the bits that the UK chooses to opt in to.

HON J J BOSSANO

Yes but presumably that is not a finalised list. That list could grow tomorrow.

HON CHIEF MINISTER

Tomorrow. But we have always got to be in parallel with the UK and of course, let us not forget that Spain has a veto in respect of the entirety of this acquis.

HON J J BOSSANO

We never doubted it.

HON CHIEF MINISTER

Nor do we. And this is the discussion which we have been having for such a long time. No one has ever doubted it and it certainly was not the hon Members who first alerted to the fact that the United Kingdom had given away to Spain effectively, a veto on the United Kingdom's subscription to any part of the Schengen acquis, of the existing Schengen acquis. The only problem is that the hon Members appeared at the time to think that it related to borders. We knew that the Schengen acquis contained much which was not just borders and the hon Members have spent the last years saying that we thought it was only about borders.

HON J J BOSSANO

I think the Chief Minister would have done well not to say that. Because in fact it takes an incredible amount of hard face for somebody who at the time said in this House of Assembly, and I am willing to go back and read what he said at the time in

1997, that we should not be alarmed because in any case it was all academic. Here he is saying that we were the ones who thought it only had to do with borders and he was the one who was telling us it had to do with a lot of other things. But I have got questions in the order paper today which will give him an opportunity to tell us how it is that he still thinks what he thinks according to that answer, when in fact it contradicts lots of other things he has said on a lot of other occasions.

HON CHIEF MINISTER

I do not accept that it contradicts anything of what I have said on the other occasions. The hon Member is back to the same tactic as before, of making wild and unsubstantiated allegations so that people listening think that they are fact and correct. I have never said anything contradictory on this. The Opposition Members are the ones who are confused, not just about the Schengen acquis. But as he will discover when we discuss the question on the order paper about other aspects of the Amsterdam Treaty and amendments introduced by the Amsterdam Treaty into the Treaty establishing the Union and the Treaty establishing the Community.

NO. 529 OF 1999

THE HON J J BOSSANO

ALLEGED CRIMINAL ACTIVITIES BY THE SPANISH GOVERNMENT.

Can Government list the specific alleged criminal activities which were being looked into in March as a result of complaints by Spain in February?

ANSWER

THE HON THE CHIEF MINISTER

I notice that since he asked the question and I penned this answer, that Joyce Quinn has made a Parliamentary answer. I think it was to Martin Smyth, in which she basically says the Spanish allegations were wild and incapable of substantiation.

But in any case my answer is. I do not think that it is appropriate to list publicly the specific criminal activities alleged by the Spanish Government. Much of the information contained in the Spanish paper was wrong. Other allegations were unfounded.

SUPPLEMENTARY TO QUESTION NO. 529 OF 1999

HON J J BOSSANO

I think if they were wrong and unfounded and I do not see what is wrong with mentioning them. If in the House of Commons until this last answer, in answer to a previous question, the British Government says that they were being investigated together with the Authorities in Gibraltar, then I would have thought it is a possibility for us to find out what it is the Authorities in Gibraltar have been investigating as a result of complaints received by the UK.

HON CHIEF MINISTER

No, I do not think that anybody has ever said that the Spanish complaints were being investigated. Certainly, a paper was received by No. 10 Downing Street from the office of the Spanish Prime Minister, listing a whole series of boats by name, alleging that they were registered in Gibraltar, which they were not. Alleging that they were based in Gibraltar which they were not, some of them indeed had never been registered and had never been based in Gibraltar. Referring to two cases that were in any case under prosecution already and before the courts, and therefore, irrelevant to put in a document about alleged un-investigated criminality. There actually was no specific allegation of evidence saying look, this case or this individual or this company, and therefore a reply went back in the same vein. What there was is the usual wild and unsubstantiated broad brush allegations of money laundering and drug smuggling and illicit and the like. There was no specific dossier saying, "look, this is a case which we want you to investigate". There was no such allegation.

NO. 530 OF 1999

THE HON J J BOSSANO

SPANISH GOVERNMENT - DOSSIER ON CRIMINAL ACTIVITY.

Have the Spanish Government now produced a dossier on criminal activity in Gibraltar which they claimed to be in the process of preparing in April? Might I just add that I am not referring to the same matter as in the previous question because what I have read on the subject was that there were the preliminary one and that was going to be followed by a more substantial one.

ANSWER

THE HON THE CHIEF MINISTER

I understand that Her Majesty's Government in the United Kingdom have received no such document.

NO. 531 OF 1999

THE HON J J BOSSANO

CONTROLS EXERCISED BY SPAIN AT THE FRONTIER.

Can Government say when the European Commission replied to the UK complaint of 11th February 1999 about the disproportionate nature of the controls exercised by Spain at the frontier, and what was the reply?

ANSWER

THE HON THE CHIEF MINISTER

I understand that Her Majesty's Government have as yet received no response from the EU Commission. They have raised the issue with the Commission on more than one occasion. Her Majesty's Government have established that the issue has been passed for further consideration to the Commission Legal Service.

SUPPLEMENTARY TO QUESTION NO. 531 OF 1999

HON J J BOSSANO

Do the Government think that this is the kind of action that we were being told the United Kingdom was free to take if the controls at the frontier were disproportionate. Is that what was anticipated, that they should complain on the 11th February and we should be at the end of May and they have still not had a formal reply?

HON CHIEF MINISTER

I would have thought not. I can refer the hon Member to Question No. 48 of 1999 asked in the European Parliament by our good friend Tom McGaughey who asked a question on the effects of the interruptions of our EU rights at the border. In the relevant paragraph, the answer from the Commission was, and I quote, "as a matter of principle the legality of national provisions is subject to the proportionality test. The Court of Justice attaches special importance to the principle that the action of public authorities, whether Community or national, and obligations imposed on citizens who exercise individual rights for freedoms guaranteed by the Treaty, should be proportionate to the legal objectives sought by the public authorities.

Any Community or national measures limiting the exercise of a fundamental right such as the right to move freely within the territory of the Member States, shall therefore respect the proportionality principle."

All that sounds correct. What that basically means in our case, is that Spain has the right to apply customs checks because we are not in the Customs Union. She has a right to apply light passport checks, simply to establish that the bearer is a Community national, because we are not part of Schengen. The question is, is what they are doing in fact proportionate to those legitimate purposes. We think that they are not. The United Kingdom clearly think that they are not, because they are constantly describing them as unacceptable. The Commission has referred it to its lawyers. But certainly I do not see any great sort of urgency or rushing around going on to bring pressure to bear on the Spaniards about it.

NO. 532 OF 1999

THE HON J J BOSSANO

GIBRALTAR IDENTITY CARDS.

What has been the reply of the European Commission to the two test cases submitted in March 1997 and March 1998 concerning Spain's refusal to accept Gibraltar ID Cards as valid EU travel documents?

ANSWER

THE HON THE CHIEF MINISTER

The latest written reply from the EU Commission to enquiries by the Gibraltar Government was sent on 11th March 1999. It confirms that the matter was under active consideration and formed part of the main dossier on the infringement procedure being followed in this case. The Commission said that it has suspended action pending the outcome of negotiations between the UK and Spain over the various points at issue. The Commission said that it would consider further steps in the light of that (the bilateral negotiations).

It confirmed also that the file on the complaint is incorporated as an important addendum to the main dossier on this matter, which remains active. That is a blessed relief. The Commission went on to add that further action on the infringement procedures is effectively suspended, for the moment, pending what it called bilateral negotiations between UK and Spain.

On 19th March the Gibraltar Government wrote to Her Majesty's Government in the United Kingdom, seeking clarification of the Commission's reference to bilateral negotiations on this issue. The UK responded that they did not understand the Commission's reference to bilateral negotiations and that there were no such negotiations nor had Her Majesty's Government entered into any agreement to participate in any.

Subsequent clarification has been sought from the Commission, who have said that by a decision taken by the College of Commissioners, it had been decided to "freeze" any further action which it could have taken and that it expects the matter to be resolved in the context of general bilateral meetings between the UK and Spain on Gibraltar.

The Gibraltar Government are taking legal advice on the options available in the light of this position.

SUPPLEMENTARY TO QUESTION NO. 532 OF 1999

HON J J BOSSANO

So effectively in simple language, the Commission has told the Government of Gibraltar that it is washing its hands of the complaint and that instead of demanding that the Spanish Government respects Community law, it is saying it is a matter for the UK and Spain to sort out. That is what it amounts to.

HON CHIEF MINISTER

Not quite. What they are saying is, although I agree it is probably a distinction without a difference, what they are saying is we think we can take action but we are freezing it until the United Kingdom and Spain negotiate bilaterally on the matter in a discussion process, which the United Kingdom says is not taking place, that they have not agreed that it should take place and is not in process. So in other words, the Commission has suspended action, frozen (whatever that means) action, pending a bilateral thrashing out, which the United Kingdom says is not taking place and will not take place. So there is an impasse there, not to say a possible contradiction. In the light of that, the Gibraltar Government is taking legal advice to see what other options there are available to it to push this matter forward, perhaps through the court, ourselves or somebody else.

HON J J BOSSANO

When I started raising this matter I was told that the test cases were two individuals who had gone through the process of doing it so that they could produce a case. Presumably, what is being investigated is whether an individual action can be mounted as was the case in the Euro Vote.

HON CHIEF MINISTER

I have not been told by Michael Llamas what avenues he is pursuing but he is looking into all possible options, and when he has got them all he will put them to the Government for consideration. Including, I am sure, the option of a personal action by one of those two individuals.

NO. 533 OF 1999

THE HON J J BOSSANO

AMSTERDAM TREATY - FREE MOVEMENT CHAPTER.

Have the United Kingdom Government informed the Gibraltar Government which measures under the Free Movement Chapter of the Amsterdam Treaty it proposes to participate in?

ANSWER

THE HON THE CHIEF MINISTER

Yes Sir. In a public statement made on 12 March 1999, the Home Secretary indicated the broad policy areas in which the UK wished to participate under Schengen and the Free Movement Chapter under Amsterdam. Insofar as the Free Movement Chapter is concerned, the Home Secretary explained that the UK would be interested in the asylum and civil judicial co-operation measures. The UK will not wish to participate in areas which impinge on the frontiers protocol and therefore enhanced visa co-operation is likely to prove difficult. If the hon Member has not seen a copy of that statement by the Home Secretary I will be happy to provide him with one.

SUPPLEMENTARY TO QUESTION NO. 533 OF 1999

HON J J BOSSANO

I have got one.

Has there been a comparable discussion with the Government of Gibraltar about participation in matters coming under the Free Movement Chapter as there has been in matters related to the participation under some parts of the Schengen acquis?

HON CHIEF MINISTER

No, there has been no discussion at all in that respect and I suspect that the reason might be, because given that the Free Movement Chapter is part of the First Pillar there is a presumption that as all other First Pillar measures United Kingdom includes Gibraltar.

HON J J BOSSANO

But is it not the case that the new Free Movement Chapter Title IIIA will lead to things previously done under the Maastricht system which were inter-government now passing to be part of Community law?

HON CHIEF MINISTER

Yes, the Amsterdam Treaty transferred certain justice and home affairs matters, which had previously been in the Third Pillar, that is inter-governmental, it will upon ratification of Amsterdam be transferred to the First Pillar. Indeed that is true.

HON J J BOSSANO

Did not the Government previously say that if that should happen and we were being left out under the Third Pillar in the Maastricht Conventions, then it would be a very serious situation for us if we were not included when they became part of Community law, in answer to a previous question in this House?

HON CHIEF MINISTER

I am not sure I follow the hon Gentleman. Is he referring to the Eurodat, Eurothin and driving disqualification which is the only thing.....

HON J J BOSSANO

That or other measures that there may be in the pipeline.

HON CHIEF MINISTER

Yes, if Gibraltar is excluded for things in the Third and the First Pillar because they are inter-governmental and the UK does not include us and those things are then transferred to the First Pillar, we will then find ourselves excluded from First Pillar stuff whereas at the moment the only First Pillar stuff that we are excluded from historically has been the airport directives and regulations. Our exclusion in the First Pillar has until now, and hopefully long may it continue to be so, been ring-fenced around aviation measures. That is why the Government attach so much importance to us not being excluded from other First Pillar measures because once it becomes acceptable to exclude Gibraltar from First Pillar measures, there is in theory no limit to the number of, First Pillar measures are Community measures unlike Third Pillar measures which are inter-governmental. I think our exclusion from Community measures is prejudicial because it tends to suggest that we are not really in the European Community.

NO. 534 OF 1999

THE HON J J BOSSANO

AMSTERDAM TREATY - FREE MOVEMENT CHAPTER.

Is it still the view of the Gibraltar Government that Spain does not have the option to veto UK participation in measures under the Free Movement Chapter of the Amsterdam Treaty?

ANSWER

THE HON THE CHIEF MINISTER

The Free Movement Chapter is Title IV of the Treaty establishing the Community. Ex Title IIIA during the negotiating process. Indeed now it is Title IV in the consolidated Treaty. Under Article 2 of the Protocol on the position of the United Kingdom and Ireland, none of the provisions of Title IV and no measure adopted pursuant to that Title shall be binding upon or applicable to the United Kingdom or Ireland. Under Article 3 of that Protocol the United Kingdom may notify the President of the Council in writing within three months after a proposal or initiative has been presented to the Council pursuant to Title IV, that it wishes to take part in the adoption and application of any such proposed measure. Whereupon the United Kingdom shall be entitled to do so. That is, entitled to take part. Accordingly, provided that the United Kingdom gives notice within three months that it wishes to participate in such measures, it can do so as a matter of right. Consequently, Spain does not have the option to veto the United Kingdom's participation in such measures under the Free Movement Chapter.

SUPPLEMENTARY TO QUESTION NO. 534 OF 1999

HON J J BOSSANO

Are the Government not aware that in the statement that was made on 12 March by the Home Secretary, and in the briefing paper produced by the Home Office for the media at the time, where it talks about the United Kingdom's participation in Schengen and the Free Movement Chapter, it points out that the provisions in the Protocol that he has just read out, which incidentally is Protocol Y what he has just read out, it goes on to say the point we were making all along that if within a reasonable time the Member States are not able to reach agreement with the United Kingdom, they can proceed without the United Kingdom. I think that the fundamental difference that we held at the time that we put this question in the House, which was a question that the Chief Minister answered in September 1997 on Protocol Y No. 344, the main difference was whether in fact this was the case or was not the case.

HON CHIEF MINISTER

No I do not agree and it is not the case. In any case it is a very different question. The point that the hon Member is now making and which we will now go on to discuss, is a very different issue to whether Spain has a veto on the UK's participation. Spain does not have a veto on the UK's participation if the UK wishes to participate, however, the UK could decide that it wishes to participate and then in the negotiations on the detail of the initiative of the proposal, it may adopt a position which is irreconcilable with where the others want to go. In those circumstances, if within a reasonable period of time the United Kingdom having indicated that it wishes to participate then is unable within a reasonable period of time to sign up to the detail of

whatever the others want to do, then the others can move on without the UK. The hon Member will recall that when we last discussed this point, I think it was at the last meeting of the House, we said "well, does not being able to proceed with the UK include not being able to proceed with the UK because the UK insists on taking Gibraltar in with it and Spain says no you cannot come in with Gibraltar". That is the narrow point to which I think we have reduced the debate on this matter. The United Kingdom Government's view is that Spain would not be entitled, because one thing is the detail of the substance of the proposal and the other thing is the territorial application, the scope in territorial terms of that measure. Because it is First Pillar there is a presumption in European law that Gibraltar is entitled to participate and therefore the UK is simply saying yes I want to participate, yes I agree with all the details of the proposals and it must include Gibraltar, if not the failure of the others to proceed with the United Kingdom as it is intended to mean under this Article. Of course, how it works in practice will be tested and we shall never know until it is tested what arguments Spain will field. But I can tell the House that it does not raise questions of Spanish veto, the reasonable period bit does not according to the United Kingdom Government mean that if the only difference between Europe and the United Kingdom is the inclusion or not inclusion of Gibraltar, that that constitutes an inability to proceed with the United Kingdom which then enables them to ditch the United Kingdom and say now well you have forfeited your right to be included and now we proceed without you. That is the position as I have always understood it, that is the position as it has been explained, that is the British Government's position as it has been explained to me and that is the position upon a logical interpretation of the text, although I will concede to the hon Member that a mischievous interpretation by Spain of the reasonable period paragraph, might lead it to seek to argue that if the only difference is whether Gibraltar is included or not, that is sufficient to invoke those provisions. It remains to be seen whether Spain takes that line and what line the others take in the face of it.

HON J J BOSSANO

I am glad that on this occasion he has put in the possibility of a mischievous interpretation in the hands of Spain and not in my hands and he is not suggesting I am making a mischievous interpretation. But can I simply point to the Chief Minister that in the press release issued on 17 May, where he talks about the Schengen Convention, he says "however the United Kingdom participation requires unanimity among Schengen Convention countries". This includes Spain. The current Schengen Convention deals with the following issues: crossing internal borders; crossing external borders; visas; movement of aliens; residence permits; asylum applications; police co-operation; and if I remind him of the submission that he made to the Foreign Affairs Committee on 5 November 1997, what he told the Foreign Affairs Committee then was although we are assured she would not be able to do so, should Spain attempt to exclude Gibraltar from other measures to be drawn up under Title IIIA of the Treaty, the Free Movement Chapter, in the field of visas (which is here on this list) asylum (which is here on this list) immigration (which is here on this list) police co-operation (which is on this list) so, we have got a situation where he is now telling us that Spain will be able to veto all these things because this is covered by Schengen. Yes he has said that in his press release. I have read the things that came under Title IIIA as we understood it and as he understood it in 1997, which he said was one that Spain could not stop. The Government have now issued a press release saying that crossing internal borders, crossing external borders, visas, movement of aliens, residence permits, asylum applications and all these things, are not Title IIIA. That is what they are saying.

HON CHIEF MINISTER

The hon Gentleman's grasp of these issues is considerably more superficial than he likes to pretend. Look, this list numbers 1 to 16 is a litany of the issues covered by the

Schengen implementing Convention. Under the Treaty of Amsterdam the United Kingdom's ability to subscribe to any part of the existing Schengen implementing Convention, or any other part of the Schengen acquis for that matter, requires unanimity which includes therefore, the vote of Spain and that is how we have come round to the Spanish veto. All that is Schengen and Schengen has provisions about crossing internal borders, it has provisions about external borders, it has provisions about visas and movement of aliens etcetera. And to the extent which the United Kingdom wishes to subscribe to the Schengen provisions on those issues, it requires the unanimity of the Member States. Title IIIA and let me tell the hon Member that notwithstanding the unanimity provision, some of the Schengen acquis will be given a legal base in the Third Pillar and other parts of the Schengen acquis will be given a base in the First Pillar. Probably, though not necessarily Title IV, but most probably Title IV, although some things could also be given a legal base in other parts of the Treaty establishing the Community, the First Pillar. So, all that is Schengen acquis, it all requires unanimity, Spain can veto the UK's participation in any of that and when all this is transferred into the Community structure, some of it will be put into the Third Pillar and some of it will be put into the First Pillar. The First Pillar being probably and mainly the Title IV. In addition to these measures, to which all that I have said applies, the First Pillar, that is to say Title IV of the Treaty establishing the Community, creates a framework for the adoption in the future of additional different measures relating to visas, asylum, immigration and other policies of free movement separate from the Schengen acquis, and there is a very different regime for UK, and we have just discussed it before, the regime for the UK subscription to the Free Movement Chapter. The fact that the First Pillar, the fact that Title IV of the Treaty establishing the Community deals with issues similar to the list of matters covered by the Schengen Convention, does not mean that one can confuse the procedures for subscribing to this list to the procedures for subscribing to this, they remain different legal regimes with different UK subscription provisions, notwithstanding that the word visa appears on both lists, notwithstanding that the word asylum appears in both lists and notwithstanding the fact that other issues appear on both lists. The fact that things appear on two lists and that are dealable with under two different regimes, does not mean that there is no difference between the two legal regimes. I hope that that is sufficiently succinct and clear for the hon Member now to grasp the difference between these matters.

HON J J BOSSANO

No I do not agree.

HON CHIEF MINISTER

Well if the hon Member does not agree then he is mistaken because that is the correct legal.....

HON J J BOSSANO

Let us be clear, he is telling this House that although he accepts that when the United Kingdom discusses participating in the visa regime under the Schengen hat, Spain will be able to veto the United Kingdom and leave Gibraltar behind.

HON CHIEF MINISTER

The existing acquis.

HON J J BOSSANO

Yes. But the moment there is a new agreement on visas which is now done under the new Title IV, Spain will not be able to leave Gibraltar out.

HON CHIEF MINISTER

Absolutely so. He has grasped it at last. Because there is a difference.

HON J J BOSSANO

I do not agree that that is what is going to happen.

HON CHIEF MINISTER

Well I do not know if he thinks it is going to happen or not, all I can tell him is that at last for the first time in the last 18 months, I have heard a statement emanating from the hon Member's mouth on this issue which indicates to me that at last he has grasped the complex legal treaty issues arising from this matter. There is one regime for the UK joining the existing Schengen acquis and a quite different regime, not just for the Free Movement Chapter measures but indeed for future measures building on the Schengen acquis. Absolutely, he has grasped this at last.

HON J J BOSSANO

No, it is not that I have grasped it, it is that I am not looking at this to advise a client of whose lawyer I am. I am looking at this on the basis of what we know is the way Gibraltar has been treated in the European Union and outside the European Union whenever there has been negotiations between the UK and Spain. All I need to remember is that in November 1997 the degree of conviction that the Chief Minister has expressed today was not what he expressed in the House of Commons to the Foreign Affairs Committee. Because he said that he asked the Committee to ensure, to get the United Kingdom to give an assurance that if Spain attempted to do what he says is impossible.....

HON CHIEF MINISTER

No I have not said that is impossible.....

HON J J BOSSANO

Oh it is not impossible.

HON CHIEF MINISTER

No of course it is not impossible but he knows that. He has read my evidence to the Foreign Affairs Committee on this last occasion when he did not give evidence, and I have covered the ground again and explained it. The fact that it is a First Pillar measure means that Gibraltar has a right to participate. Spain has no veto. Spain cannot say to the United Kingdom "you may not participate in this because you require my consent to do so". That is the position under the Third Pillar. Under the First Pillar the United Kingdom is free to participate as a matter of right but as we know to our cost, even under the First Pillar, the United Kingdom has in the negotiating cut and thrust agreed to exclude us from things. The aviation measures were part of the First Pillar in which Spain had no veto, in which Gibraltar had a right to participate yet the United Kingdom agreed, gratuitously, in order to unblock an impasse in the European Community to exclude Gibraltar. Not because Spain has a veto, not because Spain has a Treaty right to demand Gibraltar's exclusion but because the United Kingdom simply gave the ground away in order to block the impasse. What I was saying to the Committee in that Part which they have now understood, but obviously not yet the Leader of the Opposition, is that just as the United Kingdom has, notwithstanding that Spain does not have a veto, agreed in the past on aviation matters to exclude us from

First Pillar measures, what I was saying to the Committee members was please be vigilant that she does not do it again in respect of non aviation First Pillar measures. Not because Spain has a right to exclude us, not because we have not got a right to be included but because the United Kingdom appears to think that she is free lawfully to agree with the other 14 Member States that this Directive or this Regulation, which hon Members will recognise as the language of First Pillar measures, should not apply to Gibraltar, as she has done with the original aviation directives, access directives and which she has subsequently done with two or three others, one in the dying days of the hon Member's government, I cannot remember if it was airport charges or ground handling or one of these things. And she has done again subsequent to that with one or two others. On the other hand recently, with the random checks directive John Reed at the Ministry of Transport stood his ground and said no, this is not an aviation matter but it is a safety related aviation matter and I am not going to concede the Gibraltar participation point. The result is that the measure has been lost for the whole Community. Now we are saying to the British Government "that is the position that you should take in defence of Gibraltar's interests in all First Pillar matters". What I was saying to the Committee is please be vigilant and help us ensure that the United Kingdom Government do not extend beyond aviation matters, agreements to exclude Gibraltar from First Pillar matters. That is what I have said, that is the meaning of those words that he keeps on referring to. I have explained it a second time to the Committee after a year put doubt into their minds when they visited Gibraltar and they came straight from his office to mine bearing his arguments and they asked me to give evidence to the Committee when I was next in London. I did, I clarified it. They have now understood the distinction and they, hopefully, indeed will remain vigilant. I hope that I am able to persuade the hon Member that that piece of evidence to the Foreign Affairs Committee when it speaks of rights, it means the rights Gibraltar has because it is a First Pillar measure because it is not an inter-governmental agreement where Spain can say I will not agree. This is an inter-governmental matter this is not a Community matter. Prima facie Gibraltar has no right to participate in inter-governmental matters if the other 14 Governments do not want it to. But that is not the case we maintain and the UK agrees, that is not the case in First Pillar measures. So we can only be excluded from First Pillar measures if the United Kingdom collapses to an impasse caused by Spain and agrees to exclude us.

HON J J BOSSANO

Well, I do not agree with the Chief Minister. This is his arrogance. If one does not agree with him either one is mischievous or a hypocrite or ignorant, because the Chief Minister seems to think he has got the monopoly of the truth and he then accuses other people of being like that.

HON CHIEF MINISTER

It is not that I think that I have got a monopoly on the truth. It is that by his own admission ten minutes ago, I am looking at this legalistically in terms of treaty rights and by his own admission he does not give a damn about all of that and he is just worried about what Spain is going to do in practice. Well, we can speculate until the cows come home about what Spain is going to do in practice. The position, the legalistic position is exactly as I have just explained to the hon Member. If he does not want to accept it, let him go and seek advice from lawyers and then he can defend whatever position he wants but let him not assert his view as correct.

HON J J BOSSANO

I do not need to seek advice from lawyers. I do not need to. He is entitled to beg to differ but that is all he is entitled to do, beg to differ. Not say I am ignorant. The Chief Minister has told us that under the First Pillar measures it is only the weakness of the United Kingdom that has kept us out. He has referred to the fact that we were kept

out of the air liberalisation measures. In the air liberalisation measures we were kept out because Spain used its veto. It vetoed at the agreement stage in the meeting of Transport Ministers the proposal for the directive and having vetoed it there, it stopped it for the whole Community.

HON CHIEF MINISTER

There is a difference.

HON J J BOSSANO

Well yes there are different kinds of veto but what is clear is that there is more than one. Then maybe the veto that there is in Schengen, which he says there is a legitimate veto, and then there is the veto that there is in the proposal stage of the directive which is the illegitimate veto.

HON CHIEF MINISTER

No I am sorry. Again he is demonstrating his lack of grasp of the detail here.

HON J J BOSSANO

No Mr Speaker.

HON CHIEF MINISTER

In Schengen the United Kingdom says Spain has a veto to the participation of the United Kingdom. In other words, in the Schengen Agreement Spain can say "you the United Kingdom may not attend but the matter continues for everybody else". That is a veto to the United Kingdom's participation. In the First Pillar, in those parts of the First Pillar that require unanimity, any country, for example tax harmonisation, which is one of the areas that requires unanimity, any country can say I do not agree. But the result of saying I do not agree is not to veto the participation of one particular country, it is that the whole measure disappears for the whole Community. Well that is not a veto on UK participation. That is every country having the right to withhold its consent from the measure proceeding for the whole Community in which case it dies. If Spain has that right the United Kingdom has that right and Denmark has that right. That is very different to the situation under the Schengen acquis arrangements.

HON J J BOSSANO

The Chief Minister has either overlooked or conveniently forgotten that the very point of the new situation created by Protocol Y, which is the one that governs the new Title IV, which was the old Title IIIA, is that whereas the unanimity until that agreement, until Amsterdam came in, the unanimity meant that the United Kingdom could also hold up indefinitely any measure and if they did not it is because they lack the political will. Under the new proviso they cannot hold up the measure indefinitely. It means that if the experience that we have got is that when she had the power she lacked the political will, why on earth should we believe that she is going to have the political will when she has not got the power.

HON CHIEF MINISTER

Because, and here is my brief reply, because contrary to what the hon Member says she still has the power if she opts to participate. If she opts to participate she is deemed to be part of the unanimity. Now if she ceases to be part of the required unanimity, they cannot proceed with the United Kingdom within a reasonable period of time. The United Kingdom says that does not mean if we cannot proceed without the

United Kingdom because the United Kingdom insists on taking Gibraltar in with her, it means if the United Kingdom does not agree with the nitty gritty of the proposal, of the measure itself and not to its territorial extension. That is the point which I agree with the hon Member will be tested, because Spain may seek to interpret those lines differently and then we will see what happens. But I do not think the hon Member should give Spain so much encouragement as to assert here and now that if Spain adopts that argument, the Leader of the Opposition in Gibraltar agrees with it. Because that is the natural meaning of these words. I regret that, one thing is for the hon Member to say well we know what the Spaniards are like they will argue anything, and they will certainly try to argue that, and if he says that I agree with him. But if he says if the Spanish argue that I agree with their interpretation which would be correct, I think that is unhelpful.

HON J J BOSSANO

No, I am saying to him that is my interpretation irrespective of what the Spanish interpretation may be. And I am telling him that it is absurd for the Chief Minister to suggest that the Spaniards are going to be tuning in to Radio Gibraltar to hear my argument here today so that they can find out what argument to put. For heaven's sake, they do not need any arguments. The Chief Minister in November 1997 wanted a guarantee that if Spain made the attempt, the United Kingdom would ensure it would not succeed. Let me just say. Yes that is the assurance that he wanted, in the First Pillar yes, in Title IIIA as it was then. I am not sure whether he has got it or not but let me make clear, in case he is given the impression that in the representations we made to the Foreign Affairs Committee when they came to Gibraltar which were then followed up in writing, although we have not given the matter any publicity, to which he says I have put doubts in their minds, let me make it absolutely clear that whatever criticisms I may have of him here, all my criticisms in my submission to the Foreign Affairs Committee were directed at the British Government and not at the Government of Gibraltar. When he said I had put doubts in their minds, the only doubts I could have put about in their minds was the doubts of the confidence, reliability, that we can have in the Foreign Office. Indeed, what I asked them to do in the submissions that I put to them, was in fact to say that given that we continue to believe that under Title IIIA of the Treaty Spain would be able to object to the United Kingdom's participation in the new Free Movement Chapter and that the reading of Protocol Y, which I had told them about before, given that that was our reading of it that the Foreign Affairs Committee should now, when they cross-examine the Foreign Secretary, which I regret they did not do, but I asked them and I put it in writing to them that when they cross-examine the Foreign Secretary, they should ask the Foreign Secretary to give the assurance that the Chief Minister was seeking in November 1997. I would just like for the record to make sure that it is clearly understood that whatever criticisms I used, the representations were made in order to assist the position of the Chief Minister, even though I do not agree with his interpretations.

MR SPEAKER

Is it possible to give a very short answer?

HON CHIEF MINISTER

Indeed, non polemic. The sort of answer that the hon Member will not wish to reply to.

First of all just for the sake so that we understand each other, would the hon Member take note of the fact that there is no longer something called Protocol X and Y, that those were letters given in the negotiating documents. That the document is now called the Protocol on the United Kingdom and Ireland and they have no letter and no number or anything else. Secondly, we can do no more than rely on the position that

the United Kingdom says is the case but then hold them to it. Fine, if the hon Member says, this is what I have said to the United Kingdom Government, if the hon Member says that this is the correct interpretation of this paragraph in the Protocol, first of all confirm it to me in writing and then tell me that he will defend that view. But until the matter comes up for adjudication in the context of a particular case, we cannot resolve who is correct, whether London's interpretation is correct, whether the hon Member's interpretation is correct, whether some variation that the Spaniards might come up with is correct, until the matter is tested until the matter is adjudicated, until a concrete case arises in which the matter has to be put to practical application, everybody's views are just everybody's views - which of course they will assert and claim to defend to the death. But we will moot and just moot until such time as it comes to be tested.

ORAL

NO. 535 OF 1999

THE HON J J BOSSANO

1976 EUROPEAN COMMUNITY ACT.

Can Government confirm that the United Kingdom has tabled amendments to the 1976 EC Act to provide for the territory of Gibraltar to be included in European Parliament Elections?

ANSWER

THE HON THE CHIEF MINISTER

The UK Permanent Representative to the European Community announced HMG's intention to table an amendment to the 1976 EC Act on Direct Elections in Brussels on 4th March. I am informed by Her Majesty's Government that it tabled its proposed amendment on 16th March at the General Affairs Council.

NO. 536 OF 1999

THE HON J J BOSSANO

MATUTES PROPOSALS.

Have the United Kingdom Government now confirmed that the Matutes proposals will be rejected when a reply is given to the Spanish Government?

ANSWER

THE HON THE CHIEF MINISTER

The information that is available to me is the recent statement made by Her Majesty's Government that they will reply to the Matutes proposals at the next meeting of the Brussels process. I am not aware of the form which that reply will take nor when the next meeting of the Brussels process will take place.

SUPPLEMENTARY TO QUESTION NO. 536 OF 1999

HON J J BOSSANO

When we passed a unanimous resolution calling on Her Majesty's Government to reject this proposal, I take it that that was transmitted to the United Kingdom. Could not the Government on behalf of the whole House point to them that we expect a reply. We expect confirmation that the unanimous wishes of this House are going to be respected.

HON CHIEF MINISTER

Please rest assured that I do communicate that with similar sentiments, albeit not necessarily in the same terms that he would choose, but the British Government are in no doubt about what Gibraltar wants. I suppose that what this proves is that one thing is what we want and call for, and a quite different thing what the United Kingdom Government does. The moral of the story is that we lack the power to oblige the United Kingdom Government to do what we want even when what we want is the right thing and no more and no less than what we are entitled to. Having said all that, I would not if I were him assume that the United Kingdom Government are not going to make its position clear on the proposals in terms that he and I would find more acceptable than what they have done to date.

HON J J BOSSANO

The United Kingdom making its position clear on anything will certainly be a great advance on the way the United Kingdom performs as the norm, because they always hedge things in such a way that what appears to be clear one day is not clear. Would the Government not agree that what we want of them is something that is unambiguous and categorical, so that there can be no doubt left in Spain's mind as to what the position is. Not just here, but also when the United Kingdom speaks on our behalf as the colonial power that is responsible for our external affairs.

HON CHIEF MINISTER

Again, I do not think the United Kingdom is in any doubt whatsoever of what the Government, the Opposition in Gibraltar want it to do. The matter still arises from time

to time when I speak to Joyce Quinn and the position is I get the same answer as everybody else gets. That is, that the matter, the response will be given at the time of the next Brussels meeting which is the appropriate forum, because that is the forum in which the proposals were tabled. I have not yet been able to extract from the British Government a firm commitment to do that. Whenever the next Brussels meetings are, what we would like them to do is to use at least the same language that the British Government used in 1993 when they eventually got round to Douglas Hurd's Parliamentary answer dealing with the Moran proposals, and which they should have no difficulty in using that language which really says little more than these proposals are fundamentally about sovereignty, we have a commitment to the people of Gibraltar on the question of sovereignty, these proposals are not acceptable to the people of Gibraltar and therefore they cannot be accepted by us. Which was what Douglas Hurd said at that time in a Parliamentary answer which was the way that the so called rejection by Douglas Hurd was initially communicated and made public.

NO. 537 OF 1999

THE HON J J BOSSANO

TAX HARMONISATION PROPOSALS.

Were the Gibraltar Government consulted by Her Majesty's Government on the policy papers recently adopted with respect to Commissioner Mario Monti's Tax Harmonisation proposals?

ANSWER

THE HON THE CHIEF MINISTER

I am not aware of which "policy papers" the hon Member is referring to.

I can however tell the hon Gentleman, that there has been no consultation recently by Her Majesty's Government with the Gibraltar Government about the European Union Tax Harmonisation proposals.

SUPPLEMENTARY TO QUESTION NO. 537 OF 1999

HON J J BOSSANO

Are the Government not aware that a week ago Commissioner Monti was invited to London to address the City and that in fact, at the time in an interview on BBC, he said that it was in the context of the latest proposals which had been made on the implementation of the draft directive which was published a year ago.

HON CHIEF MINISTER

Yes of course I am aware of that. The question does not identify that, that is not a policy paper recently adopted with respect to Commissioner Mario Monti's tax so the meeting which he now describes and the visit to London by Commissioner Mario Monti that he now describes, could not possibly be identified from the question that he has put which asks whether the Government of Gibraltar have been consulted by Her Majesty's Government on the policy papers recently adopted with respect to Commissioner Mario Monti. No policy papers have been adopted following that visit.

HON J J BOSSANO

The Chief Minister has not understood what I have been saying.

HON CHIEF MINISTER

The measures, I will give way to the hon Member in just one moment, the measures that the hon Member refers to is the proposal for a directive on withholding tax on savings, which is not a tax harmonisation proposal.

HON J J BOSSANO

I see. Well they are the part of the package which was partly the guidelines and partly the withholding tax proposals, which require either the Member State to either decide on a withholding tax or on notification to other Member States. I am not saying the proposals were decided at the meeting in London or anything else, I am saying

that when he went to London on an interview on GBC which I heard, Commissioner Monti said that there were now policy papers that had been adopted which were with Her Majesty's Government and other Member States, which apparently were the result of an attempt to achieve a consensus on this package, and were the result of consultation with the different Member States and I can tell the Chief Minister that in that context, the Government of Gibraltar had felt so strongly of the potential negative implications for Gibraltar I would have thought that if there is a consensus in which other parts of the European Union are being given an opportunity to put an input, it would not be unreasonable to have a position where the British Government would have given them an opportunity as well. What I am asking is whether that has happened or not and the answer is it has not happened.

HON CHIEF MINISTER

The answer is that it has not happened. I have not heard the interview to which he is referring although I heard an interview which may have been the same one in the UK where I happened to be at the time. What I did hear Commissioner Monti say was that the onus in relation to the proposal for a directive on the withholding tax, where the UK basically says that morality requires that tax avoidance be addressed, except in respect of the Eurobond market which affects adversely the interests of the City of London. So there are limits to the morality of Her Majesty's Treasury in respect of tax avoidance and the morality goes something like this. Everything is immoral which does not affect me but it is moral if it affects me. What we are saying to the British Government is, "if it is moral for the UK Government to seek exclusion of the City of London from the Monti proposals in so far as they relate to Eurobond, because this would cause great pain to the City of London, why is it any less moral for the Government of Gibraltar to say, well look, exclude us from the withholding tax of bank deposits because whereas you are not very keen on Eurobonds and the City of London is based on Eurobonds, we are very keen on bank deposits and our finance centre is based on bank deposits". But alas, the receptiveness of Her Majesty's Treasury to such logic is not perceptible and we have made no progress with that. But what Mario Monti said in that interview, which is the one that I have heard, was that the onus was on the United Kingdom to put proposals to the rest of Europe about how the Eurobond market could be insulated. Whether it was by reference to wholesale or retail, whether it was by reference to a threshold, I think they meant in the figure of \$30,000 to \$40,000, that is what I heard him say in relation to that particular proposed directive and I certainly did not understand him to say that there had been any agreement on that matter. Indeed I have not seen in the United Kingdom press the sort of criticism, outcry or indeed euphoria that would follow agreement on that issue, which is the one that is holding up the whole matter. Thank goodness that it is.

HON J J BOSSANO

I am aware of the issue of the Eurobond market where in fact Commissioner Monti did say that it was up to the United Kingdom to come up with proposals but seemed to be expressing optimism that this was likely to be resolved because there were policy proposals that had already been circulated and therefore, if that has happened, and the United Kingdom as a result of this policy proposals that have been circulated has come back expressing a reservation about the Eurobond market and nothing else, then the question is quite simple. Having heard this, I thought it was an opportune moment to find out to what degree we have been given an opportunity to have a say in the matter.

HON CHIEF MINISTER

To no degree. There is of course a great difference between policy proposals being circulated, which is what he has now said, and policy papers recently adopted. Adopted means that the matter has been resolved.

HON J J BOSSANO

It must have been adopted at the Commission level or somewhere along the line.

HON CHIEF MINISTER

There is certainly no agreement on the matter. There has been body language which suggests that there might be a way forward but Monti has put the ball firmly in the British Chancellor's court and it remains to be seen whether the British Treasury can make proposals to save the UK Treasury Bond market from this, which would be acceptable to the others. But certainly the answer to the hon Member's fundamental point is that if there has been discussion, it has not included us, because the UK has stopped and we made intense submissions to the UK on this. We even went to the Treasury, the Minister for Trade and Industry and me accompanied by representatives of the Finance Centre, to try and explain to the Treasury, Dawn Primarolo was there, what the effect on the Finance Centre could be, and they said no. Since then, they have been busy only saving themselves on their own interests, in their precious bond market, without any apparent concern for what might be the effects on the economy of Gibraltar of the withholding tax directive on the offshore deposit taking business. So that is the position, they have not consulted us because all they are talking about now are matters connected with the Eurobond market and they are not addressing anything else.

NO. 538 OF 1999

THE HON J J BOSSANO

GIBRALTAR DEVELOPMENT CORPORATION - AUDITED ACCOUNTS.

Which is the most recent year in respect of which the Gibraltar Development Corporation has produced audited accounts?

ANSWER

THE HON THE CHIEF MINISTER

The latest audited accounts available in respect of the Gibraltar Development Corporation are for the year ended 31st March 1996.

SUPPLEMENTARY TO QUESTION NO. 538 OF 1999

HON J J BOSSANO

Well obviously since I tabled the question there was no indication that this was going to be on the Agenda of this House, and there was a late addition to the Agenda, I know now that those were the latest accounts. Given that the accounts were in fact produced in July 1998 and that the Government legislated saying the accounts had to be tabled in the House, which was not a requirement before, they chose to make it at the earliest possible opportunity, how come that the earliest possible opportunity since July has been two days ago?

HON CHIEF MINISTER

Well because we are still in a transitional stage, and indeed there is one more year of accounts which still need to be produced by the private auditors of the Gibraltar Development Corporation, with effect from the year ending March 1997 or rather, with effect from the year commencing 1st April 1997, that is 1997/1998, responsibility will be taken over by the Accountant General and the auditing will be done by the Principal Auditor, which is the intention of the Government. Of course the hon Member, I appreciate that this question relates to audited accounts, but the hon Member will be aware that the estimates of the receipts and payments of the Gibraltar Development Corporation have been published together with the Government Estimates since the 1997/1998 Estimates, and a statement of account for the Gibraltar Development Corporation will also be included in the Gibraltar Government's Annual Accounts for the financial year 1997/1998. But certainly the Government looks forward to the transition period being concluded and the accounting for the Gibraltar Development Corporation being taken over by the Treasury so that it is done in parallel with the Government's own financial accounting and reporting.

HON J J BOSSANO

Well, I am not sure why there is this requirement for a transitional period, but in any case, what I was asking was, is it that they forgot to bring it to the House after July or what?

HON CHIEF MINISTER

Yes, Mr Speaker, it is not that we have forgotten, it is that they genuinely came through from the accountant in the interregnum. Bearing in mind that the accounts of the Gibraltar Development Corporation now include activities which previously were not accounted to the Gibraltar Development Corporation, they were accounted to a series of companies, mainly the Gibraltar Information Bureau, and that following the change of Government we have had a considerable difficulty in tracing a lot of the investments, in providing answers which the auditors have put up about certain of those transactions and that this has caused a considerable amount of delay in producing the accounts. Because really we were trying to provide the auditors with answers to questions in respect to a period when we were not there, when things were being done by the other company and which the Ministers in question and indeed some officials in question are no longer there.

HON J J BOSSANO

That was not the question which I asked. The question which I asked is, given that in July 1998 the Government received the audited account for 1996, and we are in May 1999 and we get a supplementary agenda after the 17th, is it that we have had the accounts tabled in this House because the question was put and the fact that they had it since July, they overlooked the need to bring it to the House. Because that is what appears to be the case.

HON CHIEF MINISTER

Well I am not sure that we have had them since July, I recall signing them quite recently and I mean these things as the hon Member will recall, come over one's desk and one signs them. I am not necessarily challenging his chronology of events but the situation is certainly not the one that he has just described, that we have been sitting on them. The hon Members know that we published the accounts even of companies that we do not require to publish and that we do so as soon as possible, and that is all Government companies. So given that we publish the accounts of companies that we have no need to publish, no compulsion to publish, I hope that the hon Gentlemen can accept with relative little ease that in those circumstances there is no reason why we should not wish to publish the accounts of this one, which is the only one that we are required to publish. Given that we publish the ones that we are not required to publish.

HON J J BOSSANO

Well I am simply pointing out that it does say the 22nd July and I am not suggesting that they were hiding the accounts because, although we voted in favour of the provision, we pointed out at the time that we did not think that there was a need to have such a provision but if the Government wanted to put it. My question is quite simple, is it that they having sort of signed off the accounts, they forgot that it had to be brought to the House.

HON CHIEF MINISTER

Is the hon Member assuming that we have had them since July.

HON J J BOSSANO

Yes that is the date of them, I do not see why not.

NO. 539 OF 1999

THE HON J J BOSSANO

CIVILIAN POPULATION.

What was the civilian population of Gibraltar as at 31st December 1998 giving a breakdown of the number of (a) Gibraltarians, (b) Other British, and (c) Non-British?

ANSWER

THE HON THE CHIEF MINISTER

The civilian population of Gibraltar as at 31st December 1998 is estimated as follows:

(a)	Gibraltarians	20,921
(b)	Other British	3,825
(c)	Non-British	2,279
	TOTAL	27,025

NO. 540 OF 1999

THE HON J J BOSSANO

INDEX OF RETAIL PRICES.

Can Government state what was the quarterly increase in the Retail Price Index as previously calculated in the year since 1st April 1998?

ANSWER

THE HON THE CHIEF MINISTER

The quarterly increases on the Index of Retail Prices as previously calculated were:

April 1998	+ 0.37%
July 1998	+ 0.76%
October 1998	+ 0.02%
April 1999	- 0.22%