

**REPORTING OF THE PROCEEDINGS OF THE GIBRALTAR  
PARLIAMENT**

The First Meeting of the Twelfth Parliament held in the Parliament Chamber on Wednesday 21<sup>st</sup> December 2011, at 11.30 a.m.

**PRESENT:**

The Presiding Member.....(In the Chair, presiding  
over the resolution)

(The Hon J J Bossano)

Mr Speaker..... (In the Chair)

(The Hon H K Budhrani QC)

**GOVERNMENT:**

The Hon F R Picardo - Chief Minister

The Hon Dr J J Garcia - Deputy Chief Minister

The Hon Dr J E Cortes MBE - Minister for Health and  
Environment

The Hon C A Bruzon - Minister for Housing and the Elderly

The Hon Miss S J Sacramento - Minister for Equality and  
Social Services

The Hon G H Licudi - Minister for Education, Financial  
Services, Gaming, Telecommunications and Justice

The Hon J J Bossano - Minister for Enterprise, Training  
and Employment

The Hon N F Costa - Minister for Tourism, Public Transport  
and the Port

The Hon P J Balban - Minister for Traffic, Health & Safety  
and Technical Services

The Hon S E Linares - Minister for Sports, Culture,  
Heritage and Youth

**OPPOSITION:**

The Hon P R Caruana QC - Leader of the Opposition

The Hon D A Feetham

The Hon Mrs I M Ellul-Hammond

The Hon D J Bossino

The Hon E J Reyes

The Hon J J Netto

The Hon S W Figueras

**IN ATTENDANCE:**

The Hon Mr Justice A E Dudley - Chief Justice

M L Farrell, RD - Clerk to the Parliament

**ADMINISTRATION OF OATH OF ALLEGIANCE TO ELECTED  
MEMBERS**

The Chief Justice administered the Oath of Allegiance to the Hon F R Picardo, the Hon Dr J J Garcia, the Hon Dr J E Cortes, the Hon C A Bruzon, the Hon Miss S J Sacramento, the Hon G H Licudi, the Hon J J Bossano, the Hon N F Costa, the Hon P J Balban, the Hon S E Linares, the Hon P R Caruana, the Hon D A Feetham, the Hon Mrs I M Ellul-Hammond, the Hon D J Bossino, the Hon E J Reyes, the Hon J J Netto, the Hon S W Figueras.

## **MOTION ON THE APPOINTMENT OF THE SPEAKER OF THE PARLIAMENT**

### **HON CHIEF MINISTER**

Mr Presiding Member, I have the honour to move the motion standing in my name, namely:

**“That Mr Haresh Kishinchand Budhrani be appointed Speaker of the Gibraltar Parliament.”**

Mr Presiding Member, first of all, it is fantastic to see you recognised in your role as Father of the House, as the longest serving Member now here since 1972. By your taking the Chair, we follow today the tradition at Westminster that it should be the longest serving Member who takes the Chair at these times.

On the substantive motion, all I will say is that in the difficult and combative times in the past four years, Haresh Budhrani has, in my view, pleased and displeased Members on both sides of the House in almost equal measure and that seems to me to be an excellent qualification for continuing in post. As we move towards an agenda of reforming this place, I think there is a great value in continuity, and I am very grateful for Mr Budhrani's agreement to continue in post.

Having not supported his initial appointment, it gives me great pleasure to now propose the motion to appoint him, demonstrating how he has proved our concerns wrong by his fair treatment of all Members and his always amiable disposition at the worst and cruellest moments of our recent parliamentary history. I therefore commend the motion to the House.

### **HON P R CARUANA:**

Mr Honourable Presiding Member, the Opposition will support the motion for all the reasons that the Hon the Chief Minister has

cited which are the very reasons that caused us to nominate Haresh Budhrani as Speaker in the first place. At the time that the hon Members opposite withheld their approval of him, expressing reservation of judgements, we assured them across the floor of the House that they would overcome those reservations. Indeed they have, and it is a matter of some satisfaction that it is they who are now proposing the nomination and we who are supporting. So we will support the motion.

The Presiding Member put the question. Passed unanimously.

On the appointment of Mr Speaker, the Presiding Member took his place on the Government benches.

## **ADMINISTRATION OF OATH OF ALLEGIANCE TO MR SPEAKER**

The Chief Justice administered the Oath of Allegiance to the Hon H K Budhrani.

### **MR SPEAKER:**

My first duty to the House is to record my respectful acknowledgement and grateful thanks for the great honour and privilege you have conferred upon me by placing me in the Chair. May I also express my gratitude to the Father of the House for presiding over the debate on the Honourable the Chief Minister's motion for my appointment as Speaker.

The office, which dates back to 1376, is modelled on the Speakership of the House of Commons at Westminster and the title is derived from the ancient position of spokesman of the Commons to the monarch. In the days when sovereign and Commons were frequently at odds, the job was rather more precarious than it is today because it was often the case of

'shoot the messenger' if the King did not like the news delivered by the Speaker. Indeed, no less than seven Speakers were beheaded between 1394 and 1535! There is no record of the number incarcerated.

It is hardly surprising that Members were usually loathe to accept – let alone, seek – the office and on appointment had to be literally dragged to the Chair by their peers – a scene which continues to be enacted to this day when the newly elected Speaker feigns reluctance to assume the Chair.

Execution, mercifully, is not a fate which is likely to befall me and that is why, you may have noticed, I had a spring in my step as I made my way up those three steps to accept this unique and privileged office.

In a Parliamentary democracy such as ours, it is the Elected Members who have to answer to their constituents from day to day and submit themselves to the electorate every four years. My duty in presiding over the proceedings of this august body is to give all the Members a full and fair opportunity to discharge their obligations and I respectfully ask the Honourable Members - on both sides - to assist me in this task by remembering at all times that "Good temper and moderation are the characteristics of parliamentary language."

Two weeks ago, 90 years almost to the day after the first ever elections in Gibraltar, an impressive 82 per cent of a record electorate turned out to vote in the General Elections. The democratic process saw six Members of the last Parliament make way for those who were elected for the first time and the eleven who were re-elected find themselves sitting across from where they last sat.

Those changes in personnel and seating will, I am told by the Honourable the Chief Minister, be followed before long by changes to our Parliamentary practices and procedures to reflect the Hon Gilbert Licudi's unsuccessful amendment to the

motion which was debated and passed in this House on the 5<sup>th</sup> September. I look forward to playing my part in shaping those changes and to implementing whatever changes the Elected Members decide upon.

One thing that will not change, however, is my determination to serve every Member of this House - regardless of where he or she may sit - to the very best of my ability and with the utmost integrity and impartiality.

I conclude by renewing with humility the solemn pledge that I made for the first time in 2004, and again in 2007, that I will to the very best of my ability uphold the privileges, rights and dignity of this House and of its Members.

#### **ADMINISTRATION OF OATH OF OFFICE OF THE MINISTER WITH RESPONSIBILITY FOR JUSTICE**

The Speaker administered the Oath of Office of the Minister with responsibility for Justice to the Hon G H Licudi.

#### **ADDRESS BY HIS EXCELLENCY THE GOVERNOR VICE ADMIRAL SIR ADRIAN JOHNS KCB CBE**

##### **HIS EXCELLENCY THE GOVERNOR:**

Mr Speaker, Honourable Members of Parliament, it is indeed a privilege formally to open this House of Parliament in Gibraltar following the election held less than a fortnight ago on 8<sup>th</sup> December.

In looking around the House, I see many who are well-acquainted with and experienced in the ways of Parliament. But I also see a number of newly-Elected Members on both sides. Indeed, over a third of this Parliament is now comprised of newly-Elected Members. To you all, old hands and new faces

alike, I offer my warmest congratulations on your election to this place, and I wish you all success in the term ahead. I also welcome you back, Mr Speaker, and acknowledge the support you have given this House over the last four years.

And, of course, right now we mourn the passing of one of your distinguished predecessors, Sir Bob Peliza, a great Gibraltarian to whom we said farewell earlier this week.

It has been a stroke of good fortune for me to have been here for a General Election. It is an event which is not guaranteed during every Governor's tenure in office and it has been a fascinating experience. I have been impressed by the demonstration of democracy in all its forms: through the debates; the manifestos; the media reporting; and through the very high level of public engagement.

On the day of the election, I visited many of the polling stations, was present at the verification, and I witnessed at first hand the counting of the votes. The sense of responsibility and commitment of all those involved and the meticulous attention to detail at every stage contributed to what I can only describe as an unimpeachable process and I pay tribute to the Returning Officer and every member of the team who delivered excellence in every aspect of the organisation and conduct of this election.

Equally impressive was the palpable sense of pride and determination of people everywhere to play an active part in their democracy and to exercise their right to vote. And vote they did in great numbers - more people I believe voted than at any other election in Gibraltar's history and the turnout of 82.5% was hugely impressive by any standard.

I should also like to pay tribute to the candidates, both those present in the House today, as members of the Government or the Opposition, and also to those who were not, on this occasion, elected.

Gibraltar's democracy is greatly enriched by both the fact and the manner of your participation in the electoral process: your personal endeavour, the support of families and friends, and the mutual respect shown by leaders, candidates and supporters alike, particularly when the results were announced, I think highlighted the dignity and generosity that are fundamental elements of the democratic process and epitomised much of what is best about Gibraltar.

In short, the election was a beacon of democratic excellence. Her Majesty's Government of Gibraltar is committed to a fundamental reform of the way other aspects of democracy work in Gibraltar. In particular the Government will establish an independent commission to undertake a review of the way democracy works in Gibraltar and make recommendations for reform. It will call monthly meetings of Parliament. It will adopt a Ministerial Code and propose a Parliamentary Code to regulate the conduct of Ministers and Members of Parliament respectively. The Government will introduce legislation for a Freedom of Information Act which will allow citizen access to current information and all official documents over twenty years old. It will introduce legislation within the next one hundred days to ban bullying and harassment in the workplace, followed within one hundred and eighty days by legislation for a Public Interest Disclosure Act for the protection of those who come forward to provide information relating to corruption or other wrongdoing. The Government will strengthen further laws to prevent bribery and corruption and establish an independent authority to address allegations related to such crimes. It will establish a review of the Civil Service, potentially resulting in the introduction of legislation for a Civil Service Act. It will establish an Equal Opportunities Commission as provided for under the Equal Opportunities Act. It will introduce legislation to reform the Development and Planning Commission and open all its meetings to the public, and it will introduce the practice of publishing online, insofar as possible, all legislation as Command Papers at least two weeks before publication of Bills in the Government Gazette.

Mr Speaker, these are times of change and great uncertainty - in the world, in Europe and in Gibraltar. At a point where nations are challenging undemocratic regimes, where financial systems are under strain, and where the future of the Eurozone and with it Britain's relationship with the European Union are all in the spotlight, many old certainties cannot be taken for granted. Gibraltar and the United Kingdom together face many challenges and a close working partnership will be essential. But there is a bond between Gibraltar and the UK that transcends challenge and uncertainty, and that is the bond of sovereignty.

It is entirely appropriate, therefore, that, at the opening of this session of Parliament and in order to underpin the work and confidence of this new Government and this House, I affirm once again the United Kingdom's commitment never to enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another State against their wishes, nor to enter into a process of sovereignty negotiations with which Gibraltar is not content.

Mr Speaker, in these turbulent times the people of Gibraltar will look to their Parliament to represent their interests and to ensure a secure and prosperous future for Gibraltar. I know that all in this House will work together across the political divide to ensure that this challenge is met.

I wish Members of the House, in Government and in Opposition, all success in tackling their work and in fulfilling the responsibility which the people of Gibraltar have placed upon them.

I have great pleasure in declaring open this session of the House of Parliament.

## **HON CHIEF MINISTER:**

Your Excellency, Mr Speaker, it is undoubtedly a great honour to respond on behalf of the Government to Your Excellency's address on the occasion of this second Ceremonial Opening of our Parliament.

As we continue to develop constitutionally, it will not have been lost on anyone that the speech delivered by Your Excellency has tinges in it of the style of address by Her Majesty at State Openings of another Parliament. That is how it should be in an emancipated environment where the Crown in Parliament gives effect to the will of the people as determined in General Election.

Our relationship with the Crown is therefore clearly not just modern - it is evolving into the tailor made option that we as a people are entitled to carve for ourselves in the world. A niche which will set in stone our desire for British sovereignty to continue in perpetuity, alongside the recognition of our international rights as a people. The fact is that nothing we have achieved as a people has been easily won, and therefore, the fact that we may have to stand our ground - unmovable as our Rock - in the face of nations determined to usurp our rights and recolonise our future will not dampen Gibraltarian spirits one bit. As Her Majesty's Government of Gibraltar, we will therefore embark on a campaign to defend our international political rights and our territorial rights in such fora as may be necessary. The social, economic and political development of this great nation of ours will therefore progress apace as we take our place in the international community.

In doing so, Her Majesty's Government of Gibraltar, will stretch out a hand of friendship and cooperation to all our neighbours. We will seek to continue talks with our Spanish neighbours to the north, on matters of mutual interest and which will include the lives of people on both sides of the frontier. None of that willingness to cooperate should be interpreted by anyone, anywhere, as any diminution of the position of all previous, and I

am sure, all future Governments of Gibraltar, that our people will never succumb to political harassment or economic pressure to abandon our rightful path of political development and our fundamental human right to determine the future of this land and sea of ours.

We will continue to be less than impressed by those whose arguments are based exclusively on a three hundred year old treaty. We will much prefer to rely on the modern treaty that is the Charter of the United Nations, Article 1 of which explicitly sets out that the purpose of the UN is to develop friendly relations amongst nations, based on respect for the principle of equal rights and self determination of peoples. For that reason, I warmly welcome your statement as Her Majesty's representative, repeating the commitment that the United Kingdom will never enter into any arrangements under which the people of Gibraltar would pass under the sovereignty of another state against our wishes, nor - and this is equally important - enter into a process of sovereignty negotiations with which Gibraltar is not content.

It could not be otherwise - because having entrusted the United Kingdom in our Constitution with the administration of our external affairs - those matters must be dealt with only in keeping with our wishes. And given that continuing bond with the Crown, I am delighted that this incoming Diamond Jubilee year will see a visit to Gibraltar by the Earl and Countess of Wessex. Whilst we continue to await a visit from Her Majesty herself, we will warmly welcome Prince Edward and Princess Sophie to Gibraltar, fifty seven years after Her Majesty's last visit.

Your Excellency, Her Majesty's Government of Gibraltar will also be seeking to establish a more permanent structure for bilateral relations with the Government of the Kingdom of Morocco, our emerging North African neighbour. Many Moroccan men and women travelled to Gibraltar in the 1960s to help us to maintain our economy alive and Britain's military interests viable when

General Franco ordered the closure of the frontier with Spain. Today, many of those people still live amongst us. We survived and prospered, during and after the blockade and we can prosper further by developing links with our Southern neighbour for the mutual benefit of our people.

Your Excellency has already highlighted a number of matters that relate to our agenda for Government. The manifesto with which we fought the General Election set out our programme for Government in great detail. Already we have started the process of delivering on our commitments.

A Minister has been appointed with responsibility for commerce which will include small businesses specifically as part of his brief. A Minister for equality has already been appointed. The reform of the Town Planning process is underway. This week will see the Town Planner appointed as Chairman of the Development and Planning Commission and a sub-Committee is being set up to deal with minor work applications more efficiently. The King Report into the future of GBC will be published later this week. We are preparing for the publication of our first Command Paper which will allow for wider consultation on all legislation at a pre-Bill stage. And perhaps most importantly, we are in the process already of drafting the terms of reference for the Independent Commission on Democratic, Political and Electoral Reform. I will be consulting the Leader of the Opposition shortly on the proposed terms of reference and the proposed composition of the Commission. One thing that will happen straight away is that I will be seeking to convene monthly meetings of this Parliament and to publish, insofar as is possible, a Parliamentary timetable to indicate to the public and the press when things will happen in this place. I am sure I will be able to count on the goodwill of those opposite to make our first faltering steps into a more mature Parliamentary process as positive as possible for us all and the general public in particular.

Another innovation at a practical level will be that the cameras that accompany us here today, I hope will not be leaving us for four years until the next ceremonial opening or the date on which we receive your successor here. We will soon be commencing a process to open up the proceedings of this place to the public both on the public broadcaster, in consultation with GBC, and on line. I have already put at the disposal of the House the Government's IT resources so that "@parliament.gi" email addresses can be set up for all Members and a WIFI network should be available shortly in the House and its precincts for use of Members, staff and reporters.

I am also happy to report to the House that since the 9<sup>th</sup> December we have held four meetings of the full Cabinet of Ministers which I chair. We have started as we mean to go on, taking decisions collectively.

Your Excellency, the General Election and the run up to it is necessarily a bruising political time. It is right that we should hold each other to political account and test our respective policies and ideologies in a robust and strenuous fashion. We must never, however, fall into the trap of denigrating the contributions those of us who come into politics make to our community to make it a better place.

The Hon the Leader of the Opposition held the post of Chief Minister for almost sixteen years and I salute his contribution to public life over the past twenty years since he was first elected to this place. We have disagreed on many things and when we have agreed, our political system has not always called for us to say so. The fact that we come from rival ideologies need not condemn us to denigrate each other's persons.

The Hon Mr Bossano, the Minister for Enterprise and Labour, has been in this House since the year I was born and has made a massive contribution to public life and trade unionism over the past forty years and that must also be recognised even by his

political opponents. Suffice to say, that the people have recognised it in his return to ministerial responsibility.

I say these things, Your Excellency, because we owe it to ourselves to pursue the Westminster style of Government and Opposition in a manner that although, ideologically gladiatorial, does not spill over into the personal invective. I will not cast aspersions on others in saying that I therefore wish to promote a more convivial politics. I genuinely hope that we will be able to progressively adopt a new style of politics across the board and across the floor of the House and not fall into the trap of the much easier and much less worthy practice of playing the man or woman and not the ball. For that reason, the fitness or otherwise of any person to be in this Chamber today, or to hold any post on either side, must never be a matter for comment by us here. It is the people who have decided who is fit to do what job for the next four years, and it is only the people who have the right to make those judgements. In that context, I sincerely hope that we will be able to put the cut and thrust of debate into its proper Parliamentary context under Mr Speaker's eagle eye and attentive ear, so that we will be able to start work together on the review of the function of our Parliament and of our democracy in a more positive and convivial way as Parliamentarians first.

I agree with my predecessor that we must review all aspects of our voting system, including eligibility rules, our postal and absentee voting system, our electoral registration system whereby a new Register has to be created each time. And we also have to consider whether we should now have an Electoral Commission in our modern constitutional context. We can no longer avoid these issues. We need to reform and modernise the way that this House conducts its business and that will be the role of the Independent Commission and then of this Parliament.

Your Excellency, Mr Speaker, an 82 per cent turnout in an election where voting is not compulsory is a lesson in

democracy for many alleged greater countries. It also gives us in this place the legitimacy necessary to do together the legislative business of the people and to require the Parliamentary accountability that they demand. Ninety years after it begun, democracy goes from strength to strength in Gibraltar. I think I can speak for Members on both sides of the House when I say that we are proud of the way which our people have once again embraced their civic right and civic duty to vote in such huge numbers.

It is right also to note the hard work that falls on the Clerk - in his guise as Returning Officer - and all his staff when the franchise is exercised in such numbers. We will no doubt all be testing his patience and that of his staff in the coming four years. An apology in advance.

Finally, Your Excellency, I welcome back to the House all those who returned from the last Parliament and those on both sides who are new to it. I am happy to say I have seen personal friends elected on both sides of the House. I also take this opportunity to wish a Parliamentary farewell to those who by choice, or by the cold steel of election night, have not returned to this place.

As Chief Minister, I follow in the footsteps of some great Gibraltarians and I hope I shall not let them or our people down. Sir Bob, who we have recently lost, was just such a great Gibraltarian. He will be sorely missed by us here - where he discharged functions here as Chief Minister, there as Leader of the Opposition, and there as Speaker.

I very much look forward now to the work we will do together for our Gibraltar because Gibraltar must always come first, before parties and before self. That is our duty in this place.

#### **HON P R CARUANA:**

Your Excellency, Mr Speaker, it is for me an honour to participate in which is now my sixth successive Ceremonial Opening of the Gibraltar Parliament. The second as Leader of the Opposition and the second also since it formally became a Parliament under the 2006 Constitution.

Your Excellency, under our new Constitution, and as indeed is the case in the United Kingdom, our legislature consists of Her Majesty the Queen and this Parliament, and earlier before Your Excellency arrived, Mr Speaker was reminding us of days when sovereign and Parliament were at odds and life expectancy amongst Speakers was not great. I am glad to say that this Parliament is not at odds with its sovereign and therefore it is as much our pleasure as it is indeed constitutionally appropriate that, just as Her Majesty presides over the opening of Parliament at Westminster, you, as Her Majesty's personal representative here in Gibraltar, should open our new Parliament. This is the best possible reflection of both our British Parliamentary and constitutional tradition and of the fact that Her Majesty is Queen of Gibraltar, on whose behalf and in which capacity you open this Parliament.

Mr Speaker, congratulations to you on behalf of this side of the House for your reappointment as its Speaker. Our initial nomination of you when we were in government was not supported by the present Government when they were in Opposition, and it is they who now nominate you and we support that nomination. That must be a matter of some personal satisfaction to you.

When we were in Government we approved of the many indulgences traditionally allowed to Oppositions in this House and, of course, we now look forward to being the beneficiaries of the same indulgencies, save of course, as may be the result of properly consulted consensus reform.

From the very outset of the last Parliament, the then Opposition repeatedly referred to and made a great play on what they thought was the democratic significance of the size of our then electoral majority which was considerably larger than the one that they now enjoy. We will not do the same. In a democracy, the rules and principles are clear. The winner of the majority of Parliamentary seats allocated by whatever method the electoral law provides, and regardless of the size of the electoral majority, has the same unqualified, democratic legitimacy to govern.

However, that is not to say that the extraordinary closeness of the vote has no political implications. The fact is that despite the supposedly clear and urgent need for change after fifteen and a half years of successful GSD Government, we have not been swept from office, rather, nudged to wait in the wings. Nor, as is usual when political power changes hands in Gibraltar, has the new Government been swept into office. Rather, they have been inserted into office with palpable mathematical and political reluctance on the part of the electorate.

The political ramifications of this are, I think, clear. The new Government is very much on probation and the electorate will expect them to honour the very wide ranging, all embracing and very individually targeted manifesto commitments by which they undoubtedly secured their very slender electoral majority. We for our part will be helping the electorate monitor and assess the Government's progress in that politically essential respect.

Gibraltar has come a long way in the last fifteen years and we hope that will continue to prosper under the new Government. The economy is well set to continue to prosper and grow, even in the current difficult global climate to which Your Excellency has already referred.

Mr Speaker, the usual device to which newly elected Governments, that know they have promised much more than they can possibly deliver, resort to is to say that having got in, looked at the books and found a worst and expected situation,

they cannot afford their manifesto commitments, or that they will take longer to deliver than promised. This device will not be available to the hon Members opposite.

The size of the public debt has been much debated. The Government continues to produce healthy budget surpluses and our economy continues to grow. Indeed, Mr Speaker, the current financial year which ends in March 2012 is set to produce an all time record budget surplus of around £40 million and tax revenues continue rising.

As to economic growth, in my Budget speech earlier this year, I estimated that our economy had grown in the year to March 2010 by 6.5 per cent to £954 million. In fact, statistics that became available just days before polling day show that the final estimate of growth to March 2010 is actually 11.4 per cent to £998 million. This upward revision in the final estimate of economic growth is mainly due to a rise in the figure for the Gross Trading Profits of companies. If we assume that in the last year to March 2011 it grew by just 5 per cent, and I believe that it will have grown by much more than that, then our GDP stood at £1.05 billion at the start of this financial year. With net public debt, that is gross debt less cash reserves, at about £280 million, that puts net public debt at less than 27 per cent of last year's GDP. When the 2010/2011 GDP figure is known, it will almost certainly turn out to be an even lower percentage of last year's GDP.

In any event, Mr Speaker, Your Excellency, the Government's manifesto says that it will be financed by a 65 per cent growth in GDP over the next four years.

Mr Speaker, two factors are key to our continuing economic success. The first is our excellent international reputation which has taken years to obtain and build up and which can be lost much more quickly. Sound judgement and great care will therefore need to be exercised by the Government, not least about who is allowed to invest in Gibraltar.

The second is the openness of our economy. We share the new Government's objective of local jobs for local people, even though we disagree on the means of going about it. We need to be careful not to destabilise the real job market and not to saddle the tax payer with unnecessary annual cost by the creation of unreal and unnecessary public sector or publicly funded employment.

We also need to be very careful not to undermine employers' freedom of action as to who they can employ and when, to the point where they will cease to find Gibraltar an attractive place to be. The result of that would be massive job destruction and very significant loss of Government tax revenue.

Mr Speaker, speaking of public debt, there is a manifesto commitment with the implementation of which the Chief Minister could make immediate progress, as I told him during the election campaign. There are around £200 million of Pensioner Monthly Government debentures, all or part of which he could, with effect from January 2012, transfer from the Government to the Gibraltar Savings Bank, by whom they always used to be issued before we changed the practice and thus we brought them into the reckoning for public debt. This would immediately reduce the gross public debt from around £500 million to any amount of his choice down to around £300 million and, Mr Speaker, as I have said, he can do that very quickly in four weeks and not in four years.

I am not, of course, encouraging him to do this. It is wholly unnecessary. But I am illustrating the economic pointlessness of debate based on the gross, as opposed to the net, public debt and, in that context, I am also putting into perspective his manifesto commitment to halve the gross public debt. He could deliver his commitment, as I said, in four weeks rather than four years.

Let us be clear, Mr Speaker, if the Chief Minister is really concerned about the level of Government debt, which I am not,

then he has to cut the net debt, not the gross debt. There is no real reduction in meaningful indebtedness unless you reduce the net public debt.

Mr Speaker, there are two projects which in our view are vital to Gibraltar's continuing progress and prosperity, the new power station and the tunnel under the runway. Without the power station the quantity and resilience of our electricity supply, on which our economy and society depend, will be put in serious doubt. Without the tunnel, our vehicular traffic flows cannot be separated from aviation activity at the airfield and border queues, and an end put to chaos and delays that they cause to traffic throughout Gibraltar. Both projects require additional borrowing and with net public debt at less than 27 per cent of GDP, this is prudently and easily affordable. We planned to finance the power station by a combination of bank finance, which is in place, and a long-term bond placement. We will support the new Government in any Parliamentary approval that may be required for additional borrowing for these projects.

Mr Speaker, whilst we will hold the Government to account, especially against their electoral promises, this Opposition will support, not undermine the Government, where the interests of Gibraltar must come first in areas such as economic development, in creating confidence amongst lenders and investors in our economy and in Government's financial strength, or in the defence of our self-Government and political rights and aspirations as a people.

Every Government of Gibraltar has made progress in improving the quality and extent of our self-Government. I hope that my Government is seen to have done so too. We all value and understand the need for and importance of good working relations with the Foreign and Commonwealth Office. But this Parliament and the Government elected out of it, is not subservient or accountable to, nor subject to the consent of the Foreign and Commonwealth Office. If that were so, our

constitutional advancement would have been meaningless. The Government can rely on our support on this question as well.

As it can also to resist and reject any possibility of return to bilateralism about our affairs between the United Kingdom and Spain, or to negotiations or discussions about our sovereignty. There are three very good reasons for this: because the UK has promised not to do so, because it is a violation of our rights and wishes as a people and we do not want it, and because it is a violation of our right to self-determination which is now a provision in our Constitution and thus legally binding on the United Kingdom Government.

I fear, however, that we will continue to disagree on the best approach in relation to delisting at the United Nations. The United Nations delisting criteria do not permit us to have both the things that we want. Namely, maximum self-Government and British sovereignty with close constitutional links to Britain. Since we are not willing to give up either of these things, it follows that what we must do is to condemn the United Nations delisting criteria as anachronistic and demand that they be changed so as to allow us to delist whilst keeping both of the things that we want and are entitled to.

Finally, Mr Speaker, I have, as the House knows, already had an unprecedented transition meeting with the new Chief Minister. I remain at his entire disposal in relation to any other continuing matters that straddle our administrations and in concluding, Mr Speaker I would like to deal with three matters shortly.

First of all, I would like to take this first parliamentary opportunity to recognise and thank, for the work that they have done, not just for this Parliament but for the governance of Gibraltar, my two previous ministerial colleagues who are no longer in this House. My Deputy Joe Holliday and Yvette Del Agua.

Secondly, I would like to take this first parliamentary opportunity to join all that have already mentioned the passing of Bob Peliza who has been historically an important Member of this House, regardless of political differences on issues or ideologies, and thirdly, I would like to join those who have already done so in welcoming the new Members elected on both sides of this House.

## **ADJOURNMENT**

The House then adjourned.