



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.00 p.m. – 5.45 p.m.

Gibraltar, Thursday, 15th November 2012

## The Gibraltar Parliament

*The Parliament met at 3.00 p.m.*

[MR SPEAKER: Hon. A J Canepa GMH, OBE *in the Chair*]

[CLERK TO THE PARLIAMENT: M L Farrell Esq RD *in attendance*]

### SUSPENSION OF STANDING ORDERS

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**Standing Order 7(1) suspended  
to proceed with Emergency Statement**

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**Clerk:** Suspension of Standing Orders, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to move under Standing Order 7(3) to suspend Standing Order 7(1) in order to proceed with an Emergency Statement.

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**Mr Speaker:** Those in favour. (**Members:** Aye.) Those against. Carried.

### EMERGENCY STATEMENT

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**British Gibraltar territorial waters  
Incursions by Spanish naval and customs vessels  
Emergency Statement by Hon. Chief Minister**

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**Clerk:** The Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the House will want to know that today Simon Fraser, the Permanent Under-Secretary of the Foreign and Commonwealth Office summoned the Spanish Ambassador to the United Kingdom, His Excellency Federico Trillo, in order to underline the British Government's concerns regarding recent incursions into British Gibraltar Territorial Waters.

A statement has been made by the Foreign Office in London setting out what the Ambassador was told in no uncertain terms by the Permanent Under-Secretary. The statement reflects a quote from the Rt Hon. David Lidington MP, the Minister for Europe, who states:

'The UK has repeatedly made diplomatic protests to Spain over attempts by Spanish state authorities to exercise jurisdiction in British Gibraltar Territorial Waters. Yet on 13 November there were two further serious incursions. A large Spanish naval ship conducted a prominent patrol through British Gibraltar Territorial Waters lasting several hours. Later on the same day a Spanish customs vessel sought to apprehend a Gibraltarian civilian boat in British Gibraltar Territorial Waters, forcing the Royal Gibraltar Police to intervene in order to safeguard the welfare of the four occupants.'

Mr Lidington says:

'I condemn these provocative incursions and urge the Spanish Government to ensure that they are not repeated. We believe that it is in the interests of Spain, as well as Gibraltar and Britain, to avoid any incident that may damage the prospects of developing a harmonious and collaborative relationship between Gibraltar and Spain. It is also in all parties' interests to avoid incidents which could put at risk the safety of those operating in British Gibraltar Territorial Waters. We remain confident of UK sovereignty over British Gibraltar Territorial Waters and fully committed to protecting the interests of the people of Gibraltar and their wish to remain under British sovereignty.'

Mr Speaker, Her Majesty's Government of Gibraltar considers that calling in Mr Trillo reflects the seriousness of these attempts by agents of the Spanish state to exercise jurisdiction in what are *indisputably* British Gibraltar Territorial Waters. (**A Member:** Hear, hear.) It is appropriate that the diplomatic response to these belligerent acts should have been upscaled as it has. It is equally important for Gibraltar, as much as it is for the credibility of British diplomacy, that these diplomatic steps should be backed up by actions designed to usurp the indisputable British sovereignty of the waters in question.

There will therefore, no doubt, be unanimity across the floor of this House in the call for the Ministry of Defence to be able to deploy in Gibraltar as soon as possible the assets necessary to ensure the defence of these waters against the armed vessels and agents of the Spanish state. Throughout the past days, as previously when two Gibraltarian fishermen in Gibraltar Waters were illegally detained and transferred to a Spanish port, the Deputy Chief Minister and I have been in contact with the Minister for Europe and His Excellency the Governor and members of the Foreign Office staff in London and Gibraltar.

It is important that the House and the public should know that all have been *hugely* supportive of Gibraltar, not just in their attitude but in their actions, leading to the public call of the Spanish Ambassador today. It is just as important that their support for Gibraltar now be followed up by those with whom responsibility lies for the deployment of the assets necessary to ensure the perimeter of our nation is safe and secure and not susceptible to the illegal activities we have recently been witnesses to. Insofar as these state agents of the Kingdom of Spain are attempting to take executive action in our waters, the fact is that they are not only in breach of international laws, but also of Gibraltar laws.

The House knows and will welcome that one of the larger vessels being acquired for the Royal Gibraltar Police will soon be arriving at our shores. Our Police will therefore finally have the resources to be able to deal with such acts of criminality, as well as any other.

Finally, Mr Speaker, I want to add, and I am sure that the whole House will want to thank the officers of the Royal Gibraltar Police for the work that they do in these very difficult circumstances. The House will also want to recognise the work being done by members of the Gibraltar Defence Police and the naval ratings aboard the Royal Navy patrol boats presently stationed in Gibraltar, as well as the individuals up at Windmill Hill and the Port Department that help us reflect that these actions are occurring within what are co-ordinates of British Gibraltar Territorial Waters.

The time to back up their work with the necessary assets is now. Gibraltar has taken the steps necessary; others must also do likewise. (*Applause*)

**Clerk:** Answers to –

**Hon. P R Caruana:** Yes, Mr Speaker, I rise to support and endorse the Hon. the Chief Minister's remarks in welcoming the upgrading of the diplomatic reaction of the British Government by calling in the Ambassador and presumably communicating to the Ambassador in strident terms the same robust message that UK Ministers have been giving us over the last few months.

I also wish to join and add the Members of this side of the House to the congratulations to the RGP and other law enforcement agents in Gibraltar and also the GDP that assists in generally dealing with this provocative behaviour.

Particularly, I think the RGP is to be congratulated for its rapid and courageous intervention on Tuesday afternoon in risking an unforeseeable Spanish reaction by actually *boarding* the boat that they were about to unlawfully arrest and cutting it loose from the Spanish Customs boat. I think that those are noteworthy acts of courage that deserve the praise and recognition of this House.

This House will wish to note and record the fact, I am certain, that welcome as the upgrading of the diplomatic representations are in the form of summoning the Spanish Ambassador into the Foreign Office, it cannot be the end of the line should these unacceptable incursions persist.

There are incursions of two types: simple presence in our waters, which are serious enough; and then of the sort we saw on Tuesday where they actually tried to carry out executive action, which is a wholly different type of incursion, namely *usurping* the actual powers and authorities that are the manifestations of sovereignty, law enforcement, judicial etc. That is wholly unacceptable and I can but express the view from the Opposition Benches that I used to express from the Government Benches, when I occupied the job now done by my hon. Friend across the floor, and that is that whilst the Opposition does not believe that a recourse to *physical* engagement on the waters is in anybody's interests, nevertheless the deployment by the Royal Navy of more senior, larger, permanent assets on the water will serve to act as a deterrent to Spain from engaging in these incursions in the first place. Therefore, we support for deterrent purposes the deployment by the UK of the Navy in vessels that can more effectively serve as a visible and effective, if I can repeat the word, 'deterrent'. We will see.

We have to balance the desire that I am sure we all have in Gibraltar for peaceful co-existence with our neighbours, upon which everybody's quality of life depends on the one hand, with upholding our vital sovereignty interests on the other, and that peace and stability cannot be purchased by turning a blind eye to the most outrageous and damaging usurpation and therefore damage and violation to our sovereignty.

So therefore, whilst Spain persists in these unlawful and politically unacceptable acts, the Government will stand... the Opposition rather – old habits die hard – will stand shoulder to shoulder with the Government in the Gibraltar position that these things must stop, without losing sight of the fact that it is the United Kingdom and not the Gibraltar Government or any Gibraltar agency that is responsible for defending and upholding Her Majesty the Queen's sovereignty of British Gibraltar Territorial Waters and that they are *legal* obligations as set out in the Constitution of Gibraltar, which is a piece of United Kingdom law that binds the UK as much as it does the Government of Gibraltar.

I am grateful to the hon. Member for bringing this news to the House. I think it is welcome, as indeed is welcome the news that broke, I think at the tail end of last week, that the Petitions Committee of Parliament in Europe had thrown out the ex-Mayor of La Línea's petition in relation to the waters and the East Side reclamation. (*Applause*)

## Questions for Oral Answer

### TRAFFIC, HEALTH & SAFETY AND TECHNICAL SERVICES

#### Queensway Quay car park Solar powered lamps; payment of costs

**Clerk:** Answers to questions continue.  
Question 977/2012, the Hon. D J Bossino.

**Hon. D J Bossino:** Following Question 890/2012, is the Government now in a position to advise this House whether the payment of £41,242.44 made in respect of the setting-up costs of the solar powered lamps at the Queensway Quay Car Park was made by the Government?

**Clerk:** Answer, the Hon. the Minister for Traffic, Health & Safety and Technical Services.

**Minister for Traffic, Health & Safety and Technical Services (Hon. P J Balban):** Mr Speaker, the cost of the lamps and the installation has been included within valuation payments made for works carried out on the first phase of the car park. The issue of who will be responsible for the cost of the car park is presently the subject of negotiation.

**Hon. D J Bossino:** Mr Speaker, that is precisely one of the issues which vexed us at the last sitting of the House. I think the Chief Minister was not sure and was going to be providing information the following day; but for whatever reason he did not, and there was uncertainty as to whether the payment of the £41,000-odd had in fact come out from Government coffers. The point being that if it had, then we were entitled to scrutinise the Government further in relation to that payment and if it had not, then presumably the matter would remain there. I think that was the issue.

I can refer the Hon. the Chief Minister to the particular points in *Hansard*, where he said that he was going to revert to us and get back to us the following day in relation to whether the payment had in fact been made from the public purse.

**Chief Minister (Hon. F R Picardo):** Sorry, Mr Speaker, I thought I had said that we were going to provide the information in this House, but it may be that we said the following day.

As far as I understand it, the payment has been made by the owners of the site and the issue is whether that will be included in any amount paid by the Government or not, and that is still to be negotiated.

**Hon. D J Bossino:** Given that, Mr Speaker, he starts the answer with 'as far as I understand it', presumably there is no certainty as yet. Is that correct?

**Hon. P R Caruana:** [*Inaudible*] You must be certain –

**Hon. Chief Minister:** No, the certainty is that the Government has been *invoiced* for it, but there is no certainty that the Government has paid it because any payments that have been made do not relate, in my view, to that particular expense. The whole expense of that car park, which involves a lot more than has yet been invoiced, is still a matter that is being negotiated. There are issues as to premium there and on other sites in respect of that consortium.

**Hon. D J Bossino:** Mr Speaker, I am not sure, the Hon. the Chief Minister may recall, but there was another sort of line of questioning which I was posing as to whether there was Government involvement in respect of the choosing of the corporate entity that would have provided the solar lamps. I think he was also going to check that and revert to me in relation to that. Is he able to enlighten the House in relation to that?

**Hon. Chief Minister:** I am able to enlighten the House in that respect. The lamps were not chosen by the Government; they were chosen by the party that own the land.

**Hon. D J Bossino:** That own the land.

**Hon. Chief Minister:** That own the land.

**Hon. D J Bossino:** More than the structure themselves, what I was concerned about is to which company the contracts had been given and presumably the answer is in the same vein, is it?

**Hon. Chief Minister:** Not a company to which the Government gave any contract. The Government has seen this land developed as a car park. That development has been dealt with by the parties that own the land and they have determined who does the work, whether it is the asphaltting, the painting of lines or the installation of lamp posts.

## CHIEF MINISTER

### Chief Minister's official car Details of use

**Clerk:** Question 991, the Hon. S M Figueras.

**Hon. S M Figueras:** Yes, good afternoon, Mr Speaker.

Can the Chief Minister say whether the Government is willing to publish details of the use of the Chief Minister's official car, registration plate G1 and provide details to this House in respect of same?

**Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker I can confirm that the Chief Minister's official car, the G1, continues to be used for exactly the same purpose as by all previous Chief Ministers. I am advised that publishing any such details would create serious issues of security.

**Referendum on the 2006 Constitution  
Act of self-determination**

**Clerk:** Question 992, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, does the Chief Minister accept the United Kingdom's publicly expressed position that the referendum on the 2006 Constitution constituted an act of self-determination?

**Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, my position remains exactly as set out in paragraph 8 of the Motion unanimously passed by this House on 30th October 2006 which I had the pleasure to support.

**Hon. D A Feetham:** So I take it that the position is that you do agree with the United Kingdom's position that the referendum on the Constitution was an act of self-determination?

**Hon. Chief Minister:** Mr Speaker, I agree as set out in paragraph 8 of the Motion as follows: that subject to the final paragraph of paragraph 7, the House noted and welcomed the statements made by the British Government publicly in Gibraltar in the House of Commons on 4th July 2006 and in the United Nations on 5th October 2006, that the referendum, being the referendum to which that Motion related, in which the draft new Constitution was put to the people of Gibraltar for their decision, will be an exercise of the right of self-determination by the people of Gibraltar in the context set out in those statements.

That is the end of the paragraph. Mr Speaker, I know he was not in the House then, but that is what all of us who were here then supported.

**Hon. D A Feetham:** Yes, but the reason why I have asked this question is because it struck me as very curious use of language, which I thought perhaps could not be coincidental, when he actually referred to, before the United Nations, that it is the UK's view that the referendum on the Constitution constituted an act of self-determination. He appears to be drawing the same distinction there. In other words, on the one hand it is the UK's view and you welcomed the UK's view, but I am not asking whether you welcome the UK's view or about the UK's view; I am asking whether you *agree* that it was an act of self-determination. That is the question, really. It requires no more than a yes or a no, if it is one or the other.

**Hon. Chief Minister:** Well, Mr Speaker, it might, but I am not going to answer in the terms that the hon. Gentleman wishes me to answer; I am going to answer in the terms that I think are appropriate. *(Laughter)* There is a lot of law here. *(Interjections)* **(Mr Speaker: Order! Order!)**

The hon. Gentleman may not know enough about self-determination to know that there is a lot of doctrine in international law that deals with when an act of self-determination is occurring and what are the pre-requisites of that and he may have forgotten enough of the issues which are relevant in Gibraltar to know that, at the time of that referendum, whilst in the House of Commons, these statements were made which were very clear and unequivocal, there were also some comments made outside the House of Commons with which all Members of this House were not so happy and which might have suggested that the exercise of the right of self-determination by the people of Gibraltar were somehow curtailed by the Treaty of Utrecht.

I am delighted by the statements that Mr Hoon made in Parliament in relation to these matters and those are, in my view, the statements that matter the most, but there were other statements made by Mr Hoon at the time, which called into question exactly what rights the people of Gibraltar enjoy and I am sure that there is unanimity across the floor of this House that the people of Gibraltar enjoy an *unfettered* right of self-determination.

**Hon. D A Feetham:** Again, I am not asking about whether the people of Gibraltar enjoy an unfettered right to self-determination. I accept that in fact the UK, whilst recognising that the referendum on the new Constitution was an act of self-determination, may say that the right of self-determination of the people of Gibraltar is constrained by the Treaty of Utrecht and therefore independence is out of the question. I understand all that. That is not the question. What I am asking is whether the Government accepts that the referendum – the act of the people of Gibraltar adopting and agreeing to the new Constitution – was an act of self-determination. It is a very simple question.

I am not going to ask it again, save to sit down and invite the Hon. the Chief Minister to answer it.

**Hon. Chief Minister:** Thank you very much, Mr Speaker.

I am grateful to the hon. Gentleman saying that he is not going to repeat the same question for a third time. I refer him to my original answer and to paragraph 8 of the Motion approved unanimously by this House.

**Hon. P R Caruana:** Mr Speaker, the Hon. the Chief Minister prefixed his last but one answer to my hon. Colleague here by saying he may not know enough about self-determination. Assuming that means that he does, knowing what he knows about international definitions of self-determination, can he then say whether in accordance with what he knows about self-determination, the referendum was 'an act'? The question is very specifically phrased not to be a political trap. We are not saying it is *the* act; we are not saying it is the definitive act; we are not saying it is the act of self-determination that delivers de-colonisation or any particular form of de-colonisation. The question is whether the referendum is *an* act of self-determination.

Even if the Hon. the Chief Minister is wanting – for reasons that I do not understand – but even if he were wanting to be cagey about not wanting to be drawn on that question, it is not the question he is being drawn on. The question is whether a referendum, convened by the Government of Gibraltar, in which it asks the people of Gibraltar 'Do you support, do you want this Constitution, yes or no?', whether that is an act of self-determination.

The question is not as deep and as wide as he may have assumed it was at the time that he put together the answer that he did.

**Hon. Chief Minister:** Mr Speaker, I am grateful I should not have assumed that the question had depth or width of knowledge, then.

Well, Mr Speaker, put it this way: what he and I know about the international doctrine of self-determination is that for an act of self-determination to be in keeping with the United Nations doctrine on de-colonisation, all relevant options have to be put to the people of the territory that are being asked, to determine in a referendum which choice they make.

I do not want to say anything in this House which in any way damages the position of Gibraltar and therefore I will limit myself to say that the referendum in 2006 asked people whether they wished to adopt a Constitution or not; the referendum in 2002 asked people whether they wished to proceed down the road of considering joint sovereignty; and the referendum in 1967 asked people whether they wished to remain British or not.

By the hon. Gentleman's definition that each of those is an act of self-determination (*Interjection by Hon. P R Caruana*) by the definition of the United Nations on what constitutes an act of self-determination, which can lead to de-colonisation, it is very likely that the definition of self-determination is not made out by the referendum of 2006.

The hon. Gentleman will know that there was an issue as to legal advice then from an Attorney General, as to whether even some Gibraltar referenda might or might not be binding.

So, Mr Speaker, I do not believe this is a question that is susceptible or wise to answer with yes or no, because there is a lot more depth to it than might be appreciated.

#### Constitutional development Chief Minister's vision

**Clerk:** Question 993, the Hon. D A Feetham.

**Hon. D A Feetham:** Mr Speaker, what further devolution, if any, did the Chief Minister envisage when he said in an interview with *Canal Sur* that Gibraltar can take further steps down the road of constitutional development?

**Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I did not envisage any particular model when I replied to the question.

**Hon. D A Feetham:** Well, there must be some model that he had in mind, when he made the statement. It may well be that he had a number of models in mind. Is he in a position to at the very least enlighten the House in relation to that?

**Hon. Chief Minister:** Mr Speaker, once again, I can enlighten the House as to what the very many options available might be. One of them, for example, Mr Speaker, is the result of the Select Committee on Constitutional Reform of the House of Assembly, as this House then was, dated 2002, which in a report set out what this House believed the new Constitution to be negotiated with the United Kingdom should be, which was not exactly what came back from London, when the team returned with the Constitution that we have today.

So this model, Mr Speaker, signed by those who were members of that Committee, is one such status and there are many others. I do not want to stand here and give the hon. Gentleman a tutorial in international law.

**Hon. D A Feetham:** I did not think the hon. Gentleman is in a position *ever* to give me a tutorial on any aspect of the law.

Does the Chief Minister think that there is an inconsistency with the statement that he gave to *Canal Sur* in the statements that he has made in the past, and indeed to this House? I will just read the statements he has made, for the benefit of the Chief Minister. On 19th January 2012 in this House, he said this, on page 3 of the Report in *Hansard*, line 110:

‘The important thing is that we believe’

– in other words you, the Government –

‘that we have achieved the maximum possible level of self-government...’

– end quote. He then drew the distinction between that and delisting, which I agree is a separate issue. He then said in an interview with *La Razon* – and I am quoting the translation that the Government itself provided of that interview – he then said this:

‘Gibraltar has achieved in its Constitution a self-government which is very close to independence whilst we remain under the British Crown. Since 2006 the internal battle has been for the United Nation to recognise that Constitution.’

Now does he not accept that there is an inconsistency between the statements that he gave to *Canal Sur* and those statements that I have just read to the Chief Minister?

May I also ask him this – can he deal with this supplementary as well: is his new position – because I do believe it is a new position – as expressed to *Canal Sur*, a reaction to our statement that the Government appear to be converging with the Opposition’s view in this area?

**Hon. Chief Minister:** Well, Mr Speaker, first supplementary no, second supplementary no, for this reason.

Let me start by saying this Mr Speaker. There are some universities that have very high entrance grades and requirements. If I had a university, it would have such high grades and he would never get the chance to be tutored in law by me, as a result!

Mr Speaker, the hon. Gentleman has spent the past six months, I assume, in an attempt to try and ingratiate himself with those in Gibraltar who have never been able to identify with his party, trying to pretend that he can represent Nationalists and those who are not Nationalists at the same time. I think that he felt – and I am not imputing any motive; I am just giving him my thoughts as to what I thought he felt – when he saw Casemates brimming full of proud Gibraltarians, that he needed to do everything possible to ensure that if he ever becomes the Leader of the GSD – and we know what chances deputies in the GSD ever have of becoming Leaders of that Party – that he should be able to sit on that stage and see the crowds of people before him.

He is therefore, Mr Speaker, trying to achieve that which he accuses me of: namely, he is trying to converge with us. Our position, Mr Speaker, has been consistent and clear for many years. The GSLP’s position, under the leadership of Mr Bossano and under my leadership now has been consistent and clear, and the position of the Liberal Party with us in coalition has been consistent and clear.

I believe, Mr Speaker, that of all people in this House, the last one to get up and give lessons in consistency is the Hon. Mr Feetham.

**Hon. D A Feetham:** Mr Speaker, I am afraid that his position is as clear as mud, with respect to the Hon. the Chief Minister, as to the university that I attended. It is the same university that our senior partner from our firm, Mr Levy attended, Manchester University.

Mr Speaker, he also, in an interview with GBC – if he requires notice of the question, I will provide it next time round – he said – which was after we had come out with a press release saying that their

position appeared to be converging with ours – that there was ‘an opportunity for further slicing of the salami in constitutional terms’.

Can he tell us what he meant by ‘further slicing of salami in constitutional terms’, because certainly on this side of the House we are interested in real progress for the people of Gibraltar’ not the exercise of self-determination to slice salami?

**Hon. Chief Minister:** Well, Mr Speaker, they did very well when they let James Levy in, but I do not know what they were thinking when they let him in.

Mr Speaker, there are clearly many statuses between where we are today and independence. This was the issue that, in a clearly co-ordinated step between him and Mr Xiberras who lives beyond our shores and perhaps one other individual, they were trying to corral into different articles in different places in the past few weeks.

How is it that he does not know that there can be many different shades of political status between where we are and independence? There are *thousands* of possible permutations, each of them a step forward for the people of Gibraltar. Indeed, Mr Speaker, I have no hesitation in saying that no sooner was the ink dry on the existing Constitution than one of the things that his present Leader, then Chief Minister was accused of doing, was trying to take the Constitution further by what is not written in the Constitution – and quite right that he should have done that too, and hasn’t every Chief Minister under every Constitution always tried to go further?

If there is any nuance in any Constitution, Mr Speaker, in our view, it must be resolved in favour of the people, in this case the people of Gibraltar. I think the position is *crystal clear*. There are thousands of potential steps forward, different permutations of how the Royal Prerogative is exercised.

Mr Speaker, it is so clear that I think it would be impossible for me to sit down and give him every possible permutation which would make up the slices that I mentioned in that salami. There is just too much and in legal theory, it is sometimes impossible to cover every possible permutation. Would some of those permutations be in the interests of the people of Gibraltar? Of course they would. Would some be not in the interests of the people of Gibraltar? Well, they might not be or we might disagree as to whether they are or whether they are not. But this is not a place to debate legal theory, Mr Speaker. This is a place for information to be provided to the Opposition.

If they want to debate with me what are the possible next steps for Gibraltar constitutionally, let them bring a Motion and let us have the debate.

**Hon. D A Feetham:** But does the Hon. Chief Minister not accept – and he thinks that I am trying to catch him out but I am not, I am *genuinely* trying to see whether it is possible... and we were genuine when we came out with the press release welcoming what we felt was a change of position. We are trying to establish whether it is possible to have common ground and unity across the floor on this particular issue. Now, does he not accept that there is a distinction between saying on the one hand, as he did in *Canal Sur*, that there is potential for further constitutional models – by which any reasonable person would understand, what by constitutional models, you are dealing with, either free association or independence or something else – and slicing of salami in constitutional terms, which I understand as tweaking the Constitution, for example, trying to claw back some of the residual powers that the UK Government has in constitutional terms. I am just trying to get to the bottom of what is Government policy? Is Government policy the salami or is Government policy looking for a new model, by which I understand, a new model to mean, a new status from what we have today?

**Hon. Chief Minister:** Mr Speaker look, the hon. Gentleman – I am going to forgive him – just obviously does not understand. He does not understand these issues and, therefore, he does not see that there cannot be a conflict between those two positions that he has put. But of course, I do not accept anything that he has said, even the quotes that he attributes to them, unless I read them myself and he has not seen fit to give me the material and I have not had the opportunity to research it.

So just based on the premise that he puts and assuming that he is actually reading the quotes that are there, I do not accept that there is conflict. If he cannot see the way out of that dead end that he has got himself into by saying there is a conflict, then look, he is either not wanting to understand it or not understanding it.

But Mr Speaker, I have to address the premise of the question. If he wants common ground and unity in the interests of Gibraltar, all he needs to do is pick up the phone and let us have a chat about it. Let us write to each other about it, but let us not debate it across the floor of the House, because Mr Speaker, anybody who says, ‘I am trying to find common ground in the interests of Gibraltar’ and does it across a parliamentary floor is not really interested in doing anything other than scoring political points and pretending that he is the man for unity, when in fact, all he is trying to do is to shimmy his way into the political ground that, by being in that political party, he has lost.



Mr Speaker, there is a huge advantage to be gained by Gibraltar having, on the important political issues, real unity between its political leaders. If he ever becomes one of our political leaders, I will open the door to him to have the debate or pick up the phone from him to have the discussion; but if he is serious about it, he would not do it across the floor of the House. This is just a cheap attempt to score political points with those that he thinks he needs to impress.

If he wants to do that, my view is that he should do it by way of Motion, not by way of a pretend question.

**Potential investors to Gibraltar  
Details**

**Clerk:** Question 994, the Hon. D A Feetham.

**Hon. D A Feetham:** Is the Chief Minister in a position to provide details of the potential investors to Gibraltar which he said prior to the Election he was in discussions with, together with the investment they will be making, bearing in mind that in answer to Question 81/2012, he said that those discussions had already borne fruit?

**Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the answer remains as set out in answer to Question 81/2012.

**Hon. D A Feetham:** Is there any particular reason why, having said to me earlier on this year – in fact I think it was the beginning of this year – Question 81 must have been January, latest February – that those discussions had borne fruit, that he is not in a position to provide some further information to this House about those investors?

**Hon. Chief Minister:** Well, Mr Speaker, because although they may have borne fruit and discussions may be ongoing, it is not yet appropriate for the Government to make a public statement. I also told him that we would make a public statement when the time came.

**Census Act (2012 Census) Order 2012  
Constitutionality**

**Clerk:** Question 995, the Hon. D A Feetham.

**Hon. D A Feetham:** Did the Chief Minister obtain advice as to whether the Census Act (2012 Census) Order 2012 was constitutional before enacting it?

**Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, indeed, I sought advice on the constitutionality of the Census Act (2012 Census) Order 2012 and was advised that the Order was constitutional.

The 2012 Order only differs from the 2001 Order in that certain further particulars are to be stated in the returns. The Member seems to be concerned in particular about the new questions being asked on a person's health and that these may infringe a person's right to privacy contrary to sections 1 and 7 of the Constitution.

I say that, Mr Speaker, because in a statement issued by the hon. Member, he explained that this was why he was asking the question.

The Member should note, first of all, that virtually every question and not just those on health asked in the Census may constitute an interference with a person's right to privacy. It is the very purpose of the Census to ask 'intrusive' questions of such nature.

Unsurprisingly, therefore, the matter has come before the European Commission of Human Rights in complaints filed under Article 8 of the European Convention of Human Rights. Strasbourg has ruled that:

'where the information gathered by the means of a census is treated with care and confidentiality, the interference thereby occasioned with the applicant's rights to respect for his private and family life is necessary in a democratic society.'

**Mr Speaker:** Next question.

525

**Civil Service jobs  
Details of AA grade vacancies**

**Clerk:** Question 996, the Hon. D A Feetham.

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**Hon. D A Feetham:** Can the Government please state out of the 40 AA vacancies advertised in the Civil Service (a) how many have been employed in that grade; (b) of those employed in that grade, how many were on the unemployment list and for how long and/or employed by Employment Training Company Limited under the Future Job Strategy scheme?

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**Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, the position remains as stated in my answer to Question 852/2012. The selection process has not yet been finalised.

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**Hon. D A Feetham:** Yes, in answer to that particular question, the Hon. the Chief Minister said 40 vacancies had been advertised, one new AA vacancy has been created within the Civil Service. Is that because the other 39 have been created within the GDC? Is that the position?

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**Hon. Chief Minister:** Mr Speaker, the hon. Gentleman's question is just completely out of the ball park. How can Civil Service vacancies be for the GDC? These vacancies are for the Civil Service.

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**Hon. D A Feetham:** Absolutely, look, the Hon. the Chief Minister... I have been very, very patient this afternoon. He seems to think, he seems to take offence to me standing on my feet and asking him a question. I am going to be here for a very long time (**Hon. Chief Minister:** Absolutely!) (*Interjections*) and he had better get used to answering questions! (**A Member:** Hear, hear!) (*Interjections*)

**Mr Speaker:** Order! Order!

555

**Hon. P R Caruana:** Three years is a very long time!

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**Hon. D A Feetham:** The answer that he gave me was 40 vacancies had been advertised, one new AA vacancy had been created within the Civil Service. My understanding of the position was that the grade AA has been created... is a grade that has actually been revived by this Government, hence why I have interpreted the answer in this particular way.

If the answer is no, all 40 have been created within the Civil Service, that is the answer. It is just that the answer that he gave me last time was actually quite confusing.

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**Hon. Chief Minister:** Mr Speaker, I will pass that on to the Head of the Civil Service.

Mr Speaker, if it is of any assistance, for however long he may be there – and I trust it will be very long indeed and after many elections – I can tell him that by the next Parliament, I will have more information about those vacancies, if he wishes to ask again.

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**Hon. D A Feetham:** Am I right that all 40 vacancies have therefore been created within the Civil Service? Is this the revival of the AA grade, with all those 40 vacancies being created within the Civil Service? Why did he, on the last occasion, say one new AA vacancy has been created in the Civil Service? This is what I do not understand.

575

**Hon. Chief Minister:** Mr Speaker, because there are other posts that AAs fill, Mr Speaker, and there are vacant AO posts that may be filled by some people who hold AA or equivalent vacancies today in the Civil Service, Mr Speaker. It may have been that no AAs have been recruited for some time, that the entry grade was not AA for some time, but there were still people within the Service who were at AA or equivalent grades. I am assured that that is the position, Mr Speaker.

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**Hon. D A Feetham:** Well no, Mr Speaker, there were no AA grades; it was AO. We abolished the AA grade.

Now unless, of course, the Government... The answer has been written obviously by a civil servant: the Chief Minister does not understand the answer that has been written by a civil servant. It has two

interpretations: either they have created an AA grade and all 40 vacancies are within the Civil Service; or alternatively, as he appears to indicate, one of them was in the Civil Service, 39 were in the GDC, because... Indeed there is another question in the Order Paper about this, I do not know what the answer is going to be, but the answer could be that, in fact, there is going to be an attempt by the Government or a policy of the Government of actually equalising the grades between the GDC and the Civil Service. Therefore the AAs – those other 39 – are within the GDC, hence why I have asked him.

What I would like to know is what the position is.

**Hon. Chief Minister:** Mr Speaker, it is not that I do not understand the answer; it is that apparently the hon. Member cannot read and understand what has been given to him, even when he reads it for a month in *Hansard*. One new AA vacancy has been created. It could not be clearer, Mr Speaker. The position is very clear. (*Interjection by Hon. D A Feetham*) Mr Speaker, there are, whether the hon. Gentleman likes it or not – and he needs to listen to what I say and not hear what he wants to hear – AA equivalent grades still in the Government. There are people who are holding those posts, like word processor typists. Mr Speaker, therefore some of them may fill up other grades of employment in the Service and people who are recruited now fill those grades at the equivalent of AA.

Mr Speaker, I have tried to be helpful by saying that there will be more information available in the next Parliament, which is what I am told by the Head of the Civil Service. If he is genuinely interested in the information, if he asks then – sorry?

**Hon. P R Caruana:** The next Parliament, so the next meeting?

**Hon. Chief Minister:** The next meeting of Parliament, yes. I know before there used to be very few meetings of Parliament, but by the next meeting of Parliament, which is in the next month, it will be available.

**Hon. D A Feetham:** So the answer is, so that I understand it, that when I asked about the AA grades, and indeed there were no AA grades in the GSD Government, (*Interjection*) what you are saying is that there were typists or other people occupying certain posts that were the equivalent of the old AA grade, because they were not AOs, and when you answered last time round, 40 vacancies had been advertised, one new AA vacancy has been created within the Civil Service, what you are telling me is that you are treating those posts as if they were AA. Is that what you are saying?

**Hon. Chief Minister:** Mr Speaker, what I am saying is what I have said. I am not going to... This is not about me getting up and saying the same things all over again in the way that the hon. Gentleman may find more appropriate. I think I have been as clear as crystal, he will think the opposite and Question Time is about eliciting information. I have given him the information that I have and I have told him I will have more information at the next meeting of this Parliament.

**Mr Speaker:** Next question.

#### Public debt

#### Details as at 30th September and 31st October 2012

**Clerk:** Question 997, the Hon. P R Caruana. (*Interjections and laughter*)

**Hon. P R Caruana:** I have been waiting here patiently for a while now.

Now, Mr Speaker, will the Chief Minister say what was (i) the gross public debt; (ii) the cash reserves; and (iii) the net public debt at each of 30th September and 31st October 2012?

**Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Questions 998 and 1000.

**Clerk:** Question 998.

**Hon. P R Caruana:** Mr Speaker, will the Chief Minister give a breakdown, by bank and amount, of that part of the aggregate public debt which comprises bank debt, as at each at each of 30th September and 31st October 2012?

**Clerk:** Question 1000.

**Hon. P R Caruana:** Yes, Mr Speaker, will the Chief Minister give a breakdown, by debenture issue, of that part of the aggregate debt which comprises Government debentures, as at each of 30th September and 31st October 2012?

**Clerk:** Answer, the Hon. the Chief Minister.

**Hon. Chief Minister:** Mr Speaker, I will now hand the hon. Member a statement with the information requested.

**Answer to Question 997/2012**

Figures for October 2012 are not yet finalised by Treasury. The gross public debt, cash reserves and net public debt position for September was as follows:

	30-Sep-12
	£'M
Gross Public Debt	487.69
Cash Reserves (tentative)	197.14
Net Public Debt (tentative)	<u>290.55</u>

**Answer to Question 998/2012**

The aggregate public debt position which comprises bank debt was as follows:

Bank Loan Revolving Facilities	30-Sep-12	31-Oct-12
	£'M	£'M
Barclays Bank	150.00	150.00
Natwest Bank	50.00	50.00
	<u>200.00</u>	<u>200.00</u>

**Answer to Question 1000/2012**

The aggregate public debt position which comprises Government debentures was as follows:

**Government of Gibraltar Debentures**

Summary of the Public Debt as at :	30-Sep-2012	31-Oct-2012
Pensioners' Monthly Income Debentures (3.5%)	£46,785,700	£46,631,700
Monthly Income Debentures (2%)	£7,180,700	£7,046,800
Special Issue of Monthly Income Debentures 2008 (3.5%)	£47,424,200	£47,145,700
Limited Issue of 3-Year Fixed Monthly Income Debentures (31/12/2012)(4%)	£32,988,900	£32,985,900
Limited Issue of Fixed Monthly Income Debentures (31/12/2013) (4%)	£15,058,000	£15,058,000
Limited Issue of Fixed Monthly Income Debentures (31/12/2015) (5%)	£70,006,600	£70,001,600
Limited Issue of Fixed Monthly Income Debentures (28/02/2017)(5%)	£68,246,800	£68,246,800
<b>Total of the Public Debt comprised of Government Debentures :</b>	<b><u>£287,690,900</u></b>	<b><u>£287,116,500</u></b>

**Hon. P R Caruana:** Ah, the figures for October are not yet final. Mr Speaker, can the hon. Member offer an explanation why the Government is not able to say, 16 days after the date that I have asked for, what the gross public debt in the cash reserves are?

**Hon. Chief Minister:** Well, Mr Speaker, because the Treasury does not yet have the information to give. It is not a figure that we have ever resisted providing, neither did he, I think, so it is a Treasury –

**Hon. P R Caruana:** But it is unusual, 16 days. Normally you can.

**Hon. Chief Minister:** Fourteen days, isn't it? (*Interjection by Hon. J J Bossano*) The hon. Gentleman may know that the Financial Secretary has been away: I do not know whether that might be one of the issues.

**Hon. P R Caruana:** Mr Speaker, can the hon. Member say, given that he is aware from the General Election campaign and subsequent exchanges that, in our view, the real measure of indebtedness is the net public debt. The gross public debt can be reduced simply by transferring cash from the cash reserves and paying it back to the lenders and indeed, when the Government was issuing debentures in its own name, the gross public debt would rise every time somebody went in and bought a debenture from the Government.

So it is really the net public debt that measures the uncovered debt liability of the Government. Can the hon. Member say in respect of the net public debt, therefore, whether the Government has any target for its reduction or is its target limited as he has said in the past...? Well, I will restructure that question to make sure it is not leading.

We know that there is a target in the manifesto for the reduction of the gross public debt. Does the Government have a target for the reduction of the net public debt during this term of office or in any period within it?

**Hon. Chief Minister:** Mr Speaker, I think we have dealt with this issue before. In fact, I think we dealt with it just after the General Election in the *Hansards* for January and February, when we had some debates on this issue.

Mr Speaker, our position has been that both need to be reduced.

**Hon. P R Caruana:** Yes, but you have a target?

**Hon. Chief Minister:** We have not given a figure. That is the debate we have had before.

**Hon. P R Caruana:** I am asking now whether you have a target.

**Hon. Chief Minister:** No, Mr Speaker, not a cash figure.

**Hon. P R Caruana:** Given that I was never able to persuade the hon. Member that affordability of debt was a product of its percentage of the size of your economy, which I am sure the previous leader of that party understood, when the hon. Member says it should be reduced and therefore, although he has not got a number target, a cash target for the reduction of net public debt, he has expressed the view that it should be lowered or lower, is that in absolute terms or as a percentage of GDP?

**Hon. Chief Minister:** Mr Speaker, there is a lot of material on this in the manifesto, and I am sure that we have had this debate in this Chamber before about this figure. I think we have said more than once that there is no figure in absolute terms that we are looking at which is connected in any way as a ratio to the GDP, so not a percentage figure.

**Hon. P R Caruana:** Well, Mr Speaker, the reason why I am asking is this: that he says in this House that he thinks that the net public debt should be reduced. Well, of course, it is always better to owe less money than to owe more money, but of course most people would interpret a reduction as being, 'I used to owe £290 million – owing less means that I owe less than £290 million' – £270 million; £250 million or £230 million. But in economic terms, you can lower the net public debt as a proportion of GDP whilst actually raising the number. In other words, £290 million may be a proportion of GDP and that a higher amount – £320 million – may be a lower percentage of a higher sized economy, of an increased GDP figure, so that is the relevance of asking.

Three years from now, is he going to hopefully be able to boast that he has reduced the figure of £290 million to some lower figure than £290 million; or is he going to say, 'When I came into office, net public debt was 21% of GDP and it is now 19% of GDP', even though it is a higher figure in cash terms?

**Hon. Chief Minister:** No, Mr Speaker. The position I think is clear. We are going to come to this House, hopefully, to say – no doubt to say – that it is a lower figure in cash terms. Mr Speaker, there is a very clear statement about what we think the definition of net debt should be and how it should be changed, actually, to be more prudential on page 27 of the manifesto. It was around that definition, I think, that we had the debate previously.

**Mr Speaker:** Any other supplementaries?

Next question.

**Cash balances of Government Agencies  
30th September and 31st October 2012**

**Clerk:** Question 999, the Hon. P R Caruana.

**Hon. P R Caruana:** Mr Speaker, will the Chief Minister say what were the cash balances held in each Government Company, Agency or Authority as at each of 30th September and 31st October 2012?

**Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, Government Agencies and Authorities have no cash balances as their expenditure is funded by way of contributions from the Consolidated Fund as and when required. Similarly, the annual current net expenditure requirements of Government Companies are funded by way of contributions from the Consolidated Fund, as and when required.

I am therefore advised by the Treasury that details of cash balances held by each Government Company or Agency are currently not available, as these depend on capital inflows and outflows, the allocations of which will not be finalised by the Treasury until the financial year end, when I assume they can be published.

**Hon. P R Caruana:** So there are cash balances but we cannot work them out at the moment, or the net figure of money in, funded in or funded out.

I will tell you the reason why I am asking, Mr Speaker – perhaps I will phrase it by way of a supplementary. The hon. Member will recall that at the time of the Budget debate, we argued about whether the real surplus was around £50 million or around the £30-odd million that was reported. I said to the hon. Member that he had artificially reduced the size of the Budget from what I thought it should have been reported at, nearly around the £50 million –

**Hon. Chief Minister:** The surplus.

**Hon. P R Caruana:** The surplus. Sorry what did I say? I beg your pardon.

**Hon. Chief Minister:** The Budget.

**Hon. P R Caruana:** The surplus, thank you, the surplus – and that he had artificially reduced this I challenged by what subsequently transpired, which I think he accepted, which was that they had charged to *this* year's expenditure account provisions in respect of *previous* years' deficits in the Companies. Now, given that previous years' deficits in the Companies did not mean that the Companies had an overdraft at a bank; the Government had funded... Those deficits from the Company for previous years arose because they were doing projects and the Government was funding that expenditure.

Well, if the Government was funding that expenditure, the Companies have no liability. There may have been a book-keeping entry between the Government and the Companies, where the Companies owed the Government, or a suspense account of the Government, money.

So when the Government says 'in this year's Budget' or last year's Budget, basically for the year ending 31st March 2012, I am charging £17 million for previous year Company expenditure, that capital, that expenditure... Well, that is what I said happened and that is what I think you accepted. I think you accepted that the capital expenditure involved for Companies involved more than one year. (**Hon. J J Bossano:** No.) Yes, he did. This is common ground, Mr Speaker. This is common ground by what the Chief Minister said in this House.

The Chief Minister said in this House, and he gave me a breakdown of the figure of what was... yes. (*Interjection by Hon. J J Bossano*) Yes, yes what was capital. That capital had already been funded and therefore, where is that capital now? Did it stay in the Consolidated Fund? Was it just a book-keeping entry so that it was not really money that the Government was spending this year – which was the point that I was trying to make in the Budget?

Either the Government was spending that £17 million or so – I do not remember what the net figure was between the £50 million and the £30-odd million... Either the Government was *not* spending that money out of the Consolidated Fund, in which case it should have been reported, it had not spent that money out of the Consolidated Fund and therefore, it should have been in the Consolidated Fund as at 31st March, and therefore reported, as part of the surplus; or the Government was in settlement of some deficit or some advance account liability or whatever the Companies owed, paying it out of the Consolidated Fund, in which case he was right to debit it. But then that money has to be paid somewhere, there has to be a recipient of the money and given that the Companies had already been funded in the expenditure – (*Interjection*) Yes, the Companies did not owe a contractor £17 million in respect of

previous year profits. It had already been paid for by the Government and therefore that £17 million, I would expect to be sitting, if it has left the Consolidated Fund as of 31st March – remember we are talking about expenditure sitting in the Companies.

So the hon. Member is saying to me now, as I understand his answer to my question, there is no cash. There are no cash balances in any of these Companies because they do not maintain cash balances. What happens is that when they have liabilities, the Government sends money in and when they have revenue, the Companies sends the revenue up to the Government, so there is never any *cash* balance in any of the Companies or Agencies. That is the tenet of what the original answer to my question has been. There are no cash balances because it is all funded by the Consolidated Fund.

I am asking the hon. Member, first of all, to confirm that there are no cash balances in the Companies and if there are no cash balances in the Companies, what happened to that part of the charge on the Consolidated Fund that was reported, in our view, to reduce the surplus for last year by a figure which included not that year just ending's expenditure by the Company, but by the hon. Member's admission, previous years' expenditure by Companies which had already been funded by the Government.

(*Interjection*)  
Yes, Mr Speaker, the hon. Member... Let us at least agree that if the facts as I... If the Hon. the Minister for Employment is suggesting that my factual explanation is incorrect, well fine. Let us at least agree that if my factual explanation is not incorrect, which can be established later, then those £17 million have got to be somewhere, and I am asking whether they are in the Companies?

**Hon. Chief Minister:** Mr Speaker, we had, he is right to say, a very lengthy debate about these issues and I want to say that this was a debate which involved very detailed consideration of the figures that were before the House at the time, which is reflected in *Hansard* and which I do not recall led us to agreeing on anything.

So, Mr Speaker, the position of the Government is as set out in my reply to his Budget address then. I think the figures reflect very accurately what the position is and there are today, as I have said in my first answer, no cash balances in these Agencies or Authorities for the reasons I have set out.

Despite the length of the question, which I accept was intended to help us understand why it is that the hon. Gentleman wanted the information, I do not recognise that he is right in what he is saying. But Mr Speaker, if he wishes, Mr Speaker, I will review the *Hansard* of the reply to the Budget debate and his points, and see whether it is possible to distil from that and this question, some information which is available and which he *can* have and which may enable him to have what he wants to have, to do the calculation that he wants to do.

**Hon. P R Caruana:** Okay, Mr Speaker, I accept that offer, but what the hon. Member is saying to me now is that there is not... I have mentioned the figure of £17 million, but I am not suggesting it is £17 million. I cannot remember how much was in dispute. I thought it should be around £50 million and he reported £30-something million. So it is... Whatever that figure is of around about £17 million, the hon. Member is saying to the House today that there is no Company, Agency or Authority that has that degree of money available to it outside of the control of this House. In other words, that there is not a Company or Government Agency with an equivalent amount of cash, sitting in it which is available to be spent by those Companies outside of the appropriation mechanism of this House.

That is really the question that I am asking.

**Hon. Chief Minister:** Mr Speaker, and I have answered it, I believe, (*Interjection by Hon. P R Caruana*) as clearly as I have. I have set out, Mr Speaker, (*Interjection by Hon. P R Caruana*) and I will repeat it, if the hon. Gentleman wants, that Government Agencies and Authorities have no cash balances, as their expenditure is funded by way of contributions from the Consolidated Fund and then went on to read the rest of it and especially, Mr Speaker, the issue about when the information will be available to the Treasury about allocations, etc, which are made in respect of these Companies, which will not be until the financial year end.

**Hon. P R Caruana:** I accept that as the answer then, if that is what he means to say –

**Hon. Chief Minister:** Yes, Mr Speaker, if what he is saying is, 'Is your answer, your answer?' then yes, Mr Speaker, my answer is my answer.

**Hon. P R Caruana:** Yes, but Mr Speaker, this is why I wanted clarification. The answer is the Companies have no cash balances, and if he had stopped there, it would have been clear. If he had stopped at 'the Companies have no cash balances because they are funded by the Consolidated Fund' – full stop – that would have contained the answer to my supplementary as well. But he then went on to say about the Treasury not having the figures and I want to know if that derogates from the part of his answer

860 which is clear. In other words, is he saying the companies have no balance because they have got no cash or are they saying, 'It is all about reconciling figures and we will not know if they have got any balances until the Treasury does some work, which it has not been able to do yet', which is the second part of his answer, which is less clear than the first.

865 **Hon. Chief Minister:** Well, Mr Speaker, the first part is the position that accurately and succinctly reflects the position.

**Hon. P R Caruana:** Then that gives the answer to my supplementary.

**Mr Speaker:** Next question.

870

**Gibraltar Savings Bank**  
**Details of debt security and investments**

875 **Clerk:** Question 1001, the Hon. P R Caruana.

880 **Hon. P R Caruana:** Mr Speaker, will the Chief Minister give a breakdown by nominal value and issue of the debentures or other debt security issued by the Gibraltar Savings Bank and outstanding as at each of 30th September and 31st October 2012?

**Clerk:** Answer, the Hon. the Chief Minister.

885 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Question 1002.

**Clerk:** Question 1002.

890 **Hon. P R Caruana:** Mr Speaker, will the Chief Minister give a breakdown of the investments, including cash advances, if any, of the Gibraltar Savings Bank as at each of 30th September and 31st October 2012?

**Clerk:** Answer, the Hon. the Chief Minister.

895 **Hon. Chief Minister:** Mr Speaker, I will now hand the hon. Member a statement with the information requested on the value of debentures and the debt security issued by the Gibraltar Savings Bank.

As regards the breakdown of corresponding investments, these have not yet been finalised by the Treasury.



**ANSWER TO QUESTION 1002 OF 2012**

**Answer to Question 1001**

Summary of nominal value/issue of Debentures and other Debt Security issued by the Gibraltar Savings Bank as at:

	<u>30-Sep-12</u>	<u>31-Oct-12</u>
<b>Gibraltar Savings Bank Debentures</b>		
3 Year Fixed Term Monthly Income Debentures (Maturing 1/8/15)	£3,131,200	£4,906,800
5 Year Fixed Term Monthly Income Debentures (Maturing 1/8/17)	£15,474,400	£22,229,600
3 Year Fixed Term Monthly Income Debentures (Maturing 1/5/15)	£3,055,000	£3,055,000
5 Year Fixed Term Monthly Income Debentures (Maturing 1/5/17)	£29,840,000	£29,840,000
3 Year Fixed Term Monthly Income Debentures (Maturing 1/2/15)	£1,993,300	£1,993,300
5 Year Fixed Term Monthly Income Debentures (Maturing 1/2/17)	£25,044,800	£25,044,800
Monthly Income Debentures (Issued 17/1/12)	£1,915,900	£2,310,200
Monthly Income Debentures	£8,865,400	£8,745,400
Pensioners Monthly Income Debentures	£6,694,300	£6,587,300
Other special Debenture Issues @ 2%	£2,316,584	£2,340,595
	<b>£98,330,884</b>	<b>£107,052,995</b>
<b>Gibraltar Savings Bank Bonds</b>		
10-Year Accumulator Bond (Issue date 01/08/12)	£593,200	£862,200
10-Year Pensioner Accumulator Bond (Issue date 01/08/12)	£1,843,200	£2,133,300
10-Year Accumulator Bond (Issue date 01/05/12)	£2,956,400	£2,866,400
10-Year Pensioner Accumulator Bond (Issue date 01/04/12)	£1,575,000	£1,575,000
10-Year Accumulator Bond (Issue date 01/02/12)	£897,300	£897,300
Guaranteed Superannuation Fund Bond	£4,850,884	£5,616,252
8% Provident Trust Fund No. 2 Pension Scheme EX Bond 1	£572,244	£573,806
8% Provident Trust Fund (Bond 1)	£2,628,485	£2,636,772
8% Pension Rights and Gratuity Transfers (Bond 2)	£4,465,725	£4,433,246
8% Provident Trust Fund No. 2 Pension Scheme - EX JMH	£87,033	£232,584
Gibraltar Provident Trust (J.M.H.) Pension Scheme	£257,811	£113,547
GSL 11% Bond	£14,624	£14,624
	<b>£20,741,916</b>	<b>£21,745,031</b>
<b>Gibraltar Savings Bank Ordinary Deposits</b>	<b>£50,542,922</b>	<b>£51,322,555</b>
<b>Investment Call Accounts</b>		
Non-Government	£1,331,948	£1,334,211
Government (tentative)	Not yet finalised by Treasury	Not yet finalised by Treasury
	Not yet finalised by Treasury	Not yet finalised by Treasury
<b>Total Gibraltar Savings Bank Deposits:</b>		

900 **Hon. P R Caruana:** How is it possible for the Treasury not to know, as at a date nearly three weeks ago, where its money was invested?

If you said to me that they had not had time to type out the list, I could understand it. There is nothing for the Treasury to finalise. As at the date, which has passed some days ago, the question is, where was the Government's money invested in or the Savings Bank's money invested in. I do not see that there is anything for the Treasury to have finalised or not finalised.

**Hon. Chief Minister:** Mr Speaker, that is the answer which I have been provided by the Treasury, so I will be very surprised if they had been able to finalise things and had not been ready to provide it to me.

910 **Hon. P R Caruana:** Mr Speaker, is the Government able to say whether all the monies representing debentures issued by...? (*Interjection*)

The question is a bit technical, so I thought I would wait until I was certain that he was hearing it.

915 Mr Speaker, is the Hon. the Chief Minister able to confirm that all the money represented by the issue of these debentures by the Savings Bank is held either in cash or in near cash by the Savings Bank, either in floating rate notes or in debentures, market instruments of that sort?

**Hon. Chief Minister:** Mr Speaker, that is what the Savings Bank Act provides that the investment must be held in. So unless somebody is in breach of the Savings Bank Act, then yes, I can confirm that.

920 **Hon. P R Caruana:** Mr Speaker, these questions are designed – I do not mind telling the hon. Member what the questions are designed to establish – whether, and if so when, the Government should ever – and they are designed to see whether it has happened already and if the answer is no, then to see if it happens in the future... It is designed to establish whether the Government is procuring that the Savings Bank – which is nothing more than a special fund of the Government – whether the Savings Bank is lending money to the Government, either directly in cash or through the investment by the Savings Bank in Gibraltar Government debentures. That would just be a way of lending Savings Bank debenture holder monies to the Government.

In other words, if I go to the Savings Bank and I buy £100,000 worth of Savings Bank debentures and the Savings Bank uses that money to buy £100,000 of Government debentures, as an investment for the Savings Bank, then my £100,000 has been lent by the Savings Bank to the Government. I make no comment about what view one should take on that; I am just trying to find out whether it is happening or not happening.

**Hon. Chief Minister:** Well, Mr Speaker, given that he was the one that removed the 10% buffer in respect of the Savings Bank, on the basis that it was a Government bank underwritten by the Government in the Consolidated Fund, I would expect him to make no point about that.

But Mr Speaker, my position remains exactly as I said a moment ago. As far as I understand it, all investments of the Bank are in cash or near cash, which is what the Savings Bank Act requires.

**Hon. P R Caruana:** And therefore have not been used either to lend cash to the Government or to purchase Government debt instruments, like Government debentures.

**Hon. Chief Minister:** No, Mr Speaker, if those things are neither cash nor near cash, they have not.

**Hon. P R Caruana:** Well, Mr Speaker, look this is an important enough issue for me to be entitled to a clear answer. (*Interjection*)

*Either* the Government allows and procures... Given that it controls the Savings Bank, either the Government allows the Savings Bank to lend its money to the Government, so that Savings Bank's debentures are subject to the financial viability – thankfully, healthy – of the Government; *or* the Savings Bank debenture monies are ring fenced, kept in separate accounts in the Bank of England and not ever subject to the Government's ability to repay public debt.

Mr Speaker, I am not making a comment that it would be right or wrong, or how right or how wrong it would be. I am simply asking a question which I think is important enough just to attract a simple yes or no answer from the Government.

Is the Government allowing debenture Savings Bank monies, which represent monies paid to the Savings Bank in exchange for Savings Bank debentures by savers... is the Savings Bank allowed to use that money to buy Government debentures or to cash lend to the Government, both of which would represent using Savings Bank debenture holders' money to fund public debt? As they do in England, by the way – there are lots of countries where this is *exactly* how the public debt is funded.

**Hon. Chief Minister:** Mr Speaker, I think this *is* a very important point and I think it is very important that I deal with the point that the hon. Gentleman first made. Are the Savings Bank's investments in cash or near cash? Yes, they are. Does that investment include the Government's debentures or lending to the Government? Well, Mr Speaker, I have, a moment ago, answered the question as to what Government debt is. The answer is that Government debt is going down, he has seen it and he has seen what the revolving facilities are and he will see that there is there, not disclosed, the Government Savings Bank as a lender to the Government. It would have to be disclosed there, if there were any Government lending or any Government debt to the Gibraltar Savings Bank. It is not there.

So if he says it is that important, well, Mr Speaker, so be it that he thinks it is that important and if he looks at the answer in respect of Government borrowing, he will see that there is no lending from the Gibraltar Savings Bank, either to the Government directly or through debentures.

**Hon. P R Caruana:** Well, Mr Speaker, that is the answer to my question, which he could have given me, without adding the inaccurate preamble. His preamble is inaccurate, because the answer to the previous question tells me not what he has just said it tells me.

If I look at the total amount issued by the Government in Government debentures, I have not got a list of the debenture holders, I do not know who the investors in those debentures are. (*Interjection*)

Well, Mr Speaker, there is churn. A lot of people may have sold those debentures, bought Savings Bank debentures and the figure is the same or a little bit lower because others may be buying it and those others could include us. It does not tell me – knowing that the Government has £x million in outstanding Government debentures – anything about whether any of those debentures are held by the Savings Bank or whether they are all held by citizens who are still in the Government debentures, because they have not yet had an opportunity to be migrated or to migrate in due course to the Savings Bank.

But I have now had the answer to my question, which is no. No Gibraltar Savings Bank debenture proceeds are used to lend to the Government directly in cash or through the medium of the investment in Gibraltar Government debentures. That is all I was asking for and I am grateful to the hon. Member.

**Mr Speaker:** Next Question.

990 **Hon. Chief Minister:** I answered, I think, not trying in any way to steer the hon. Gentleman away from the information that he wanted. I think I have set out clearly in my answers what the position is.

**Mr Speaker:** Next question.

995

**Government staff  
Employment costs**

1000 **Clerk:** Question 1003, the Hon. P R Caruana.

**Hon. P R Caruana:** Mr Speaker, further to Written Question 128/2012, will the Chief Minister say what is the cost in one full year of the employment since 10th December 2011 of the following persons – then the Hon. Chief Minister will recognise the information that he gave me in that question, in that 128:  
1005 (a) 58 civil servants; (b) 35 GHA staff; (c) 9 GDC staff; (d) 23 Care Agency staff; (e) 6 Gibraltar Bus Company staff; (f) 3 Gibraltar Defence Estates & General Services Ltd staff; (g) 3 Gibraltar Cleaning Services Ltd staff; (h) 54 Gibraltar Research and Development Co. staff; and (i) 531 Employment Training Co. staff.

1010 Now, I recognise that items (h) and (i) are the employment training scheme things and the graduate schemes, which are in a different category to (a) to (g).

**Clerk:** Answer, the Hon. the Chief Minister.

1015 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the requested information is of a hypothetical nature and can therefore not be provided, not least of all because the full year has not yet elapsed. In some cases, the employees were engaged seasonally and the cost of one full year is not applicable and in others, employees will have moved on and are therefore no longer in post.  
The full year cost is therefore not a real one.

1020 **Hon. P R Caruana:** Mr Speaker, that answer I think is typical of the obtuseness that the –

**Mr Speaker:** Will the Hon. Leader of the Opposition... When I saw this question, I was myself somewhat perplexed. ‘The following persons: 58 civil servants’ – 58 civil servants in what grade? Is it 58 hypothetical civil servants that the Hon. the Leader of the Opposition is talking about or is it...? I hope –  
1025

**Hon. P R Caruana:** Well, Mr Speaker –

**Mr Speaker:** Just a moment. I hope he does not get exasperated with me, because I think that when I received the question, I was perfectly entitled, if I had so wished, to find out, to endeavour to find out from him whether these 58 civil servants were real, who they were, what grades were they; or were they just 58 hypothetical civil servants?  
1030

If they are just 58 hypothetical civil servants, an answer cannot be provided. If eight of them are EOs on the maximum of the scale and another 50 are HEO at the bottom of the scale, perhaps figures can be given.  
1035

So perhaps he might care to clarify what the exact position is, before we proceed any further.

**Hon. P R Caruana:** Mr Speaker, with respect to him, the Hon. Mr Speaker should have been perplexed only to ensure that the question was within Standing Orders. It is not a requirement of the Opposition in asking questions that the Speaker understands the political significance.  
1040

**Mr Speaker:** Well yes – because otherwise the persons referred to are hypothetical.

**Hon. P R Caruana:** Mr Speaker –

1045 **Mr Speaker:** Of course there exists in Government employment 58 civil servants, but who are they? What 58 civil servants are we talking about?

**Hon. P R Caruana:** Mr Speaker –

1050 **Mr Speaker:** And therefore unless I were to know, I cannot properly give a Ruling.

**Hon. P R Caruana:** Well, Mr Speaker, you have given a Ruling: you have allowed the question to enter the Order Paper, so the question is perfectly in order. What we are discussing is his answer, not my question. The fact that the question is in this Order Paper after Mr Speaker has considered it, before today, means that he has already decided that it is in order. So why I am now being cross-examined about whether my question is in order or not is beyond me.

But Mr Speaker, I do not know why Mr Speaker gets the impression that I would waste my time concocting questions around hypothetical non-existent people! These are the numbers that the Government, the Hon. the Chief Minister or some Minister, provided in answer to a question last time in Parliament as to the number of people that had been employed in new additional jobs in the Government since 10th December. I am simply regurgitating the information that the Government has given me in answer to a previous question, where I have asked how many new people – not people being transferred from other jobs – how many people have been *newly employed* in the Government or in any Government Agency since 10th December, and *this* is the list that the hon. Members gave me.

Having given me the list, I am now asking, ‘Well what is the *cost* of employing these people that you have told me you have employed?’ to which the answer appears to be from the hon. Member opposite, ‘I do not know’, and from the Hon. the Speaker is ‘Are these hypothetical?’

Well, I do not know if they are hypothetical or not; I only know of their existence because the Government has informed the House that they exist!

**Hon. Chief Minister:** Well, Mr Speaker, I have not said I do not know; what I have said, Mr Speaker, if the hon. Gentleman cares to look at his question – and this is what makes it impossible to... This is what makes his question... (*Interjections*) Is he interested in the answer, Mr Speaker?

What makes his question impossible to answer is that he has asked what the cost –

**Mr Speaker:** Just a moment. (**Hon. Chief Minister:** Sorry.) When the question was first received, there was no reference to ‘Further to Written Question No. 128/2012’. The question that I saw started, ‘Will the Chief Minister say what is the cost’. There was no reference to... I did not see any question with reference to Written Question 128/2012 – (*Interjection by Hon. P R Caruana*) – that I could then have reference to myself.

**Hon. P R Caruana:** Well I am sorry, Mr Speaker, (**Mr Speaker:** That is what happened.) The question was amended to read that at the request of the Clerk, after you had made that point to him and he had made it to me, and this is how we agreed it would be corrected. Hence my surprise when the matter is raised by you again!

It reads ‘Further to Written Question 128’ at *your* suggestion, put to me through the Clerk!

**Mr Speaker:** I asked the Clerk that the matter should be clarified with you. That is what I did.

**Hon. Chief Minister:** Mr Speaker, the issue for us is that the way that the uncontroversial part of the question, if I can put it that way, is worded, assumes one full year of employment since 10th December 2011 in respect of these individuals. Therefore, there is nobody – I know we were quick off the mark, Mr Speaker, but there was nobody here that we could identify employed on 10th December 2011, and in any event the full year has not expired.

So if what the hon. Gentleman wanted to know is what is the cost going to be of a full year of employment of these individuals from the relevant date in which each of them have been employed, then Mr Speaker that is something that I suppose we *could* provide –

**Hon. J J Bossano:** But not in a week.

**Hon. Chief Minister:** But just to take the point that Mr Speaker has taken and develop it, so that the hon. Gentleman can understand what the next issue may be – (*Interjection by Hon. P R Caruana*) What the next issue may be, Mr Speaker, and I think it is an important point, is that these 58, we will need to find their level in the Service and we will need to identify where it is that they finally are deployed and then trace forward if he wants, what salary it is that they are going to enjoy for that year, Mr Speaker – for the year from the date when they start. It is not information that we would have been able to provide within a week.

If he gets the point and he understands what I am saying, Mr Speaker, then perhaps he can put the question in a way that enables us to give him the information. For example, it may be easier if he asks us what is going to be the yearly salary for each of them, and then he can work out for himself, Mr Speaker, what the relevant totals may be.

**Hon. P R Caruana:** Mr Speaker, I know the hon. Gentleman has it as a policy and a tactic to try and belittle and ridicule everybody on this side of the House, but I have been doing the job that he has been doing for eight months for 16 years. The chances of him understanding anything about the affairs of Government that I do not grasp or understand are worse than zero.

Mr Speaker, that is precisely the question that I have asked. That is precisely the way that I have formulated the question. I have not asked him how much has it cost and I have not asked him any of the things that he has told me he could not answer. I have said, 'What is the cost in *one full year*?' It is a perfectly normal way to economically analyse the cost of something: you have done something, what is the annualised cost of what you are doing?

If you employ 47 teachers what is the annualised cost of those people – not in *this* year, because there is not a full year for them all, unless you employed them all on 1st April. That is why the question is precisely worded as he is recommending to me: what is the annualised cost? What is the cost in one full year, not what is the cost this year – in one? In any year, what is the annual tally of the monthly salaries? You get the salary for the first month of their employment and you multiply it by 12, and that is the cost in one full year of that employee – and you could not have done that for these people! How can the Government employ –

**Hon. Chief Minister:** You need to ask me a question.

**Hon. P R Caruana:** Yes, I am asking, several. How can the Government employ people without knowing what the cost is going to be?

**Hon. Chief Minister:** Mr Speaker, I really think that he needs to go back and see what I said to him because I have not attempted (*Interjection*) – because when I attempt, I usually achieve – to belittle him at all. In fact, I have been quite careful in the way that I dealt with the issue, because I know that Mr Speaker had taken the point in relation to the question, and I wanted simply to assist.

In fact, Mr Speaker to people who have fulfilled the post that he fulfilled for 16 years and that you fulfilled and that the Hon. Mr Bossano filled, I am, where possible, courteous to a fault. It is only when he – previously, usually – provokes me by kicking me in the parliamentary proverbials that I have to react and try and put him in his place. So this question of trying to belittle him (*Interjection by Hon. P R Caruana*) is really otiose.

Second, Mr Speaker: look, he thinks that my chances of understanding employment or anything else are less than zero, because he seems to have much less regard for me than I have for him, and all I am trying to do, Mr Speaker, in answering this question, in being generous in the way that I am putting to him we might be able to answer the question, is to say that the way it is set out is wrong.

So first of all, Mr Speaker, of course the Government knows what the annual cost of every person it employs is. It is not just the Government that knows it, Mr Speaker; it is actually set out in the Estimates Book, Mr Speaker.

Second, the problem is, Mr Speaker, that the way he has phrased his question... and there are two ways of answering it, and one in particular which would be very problematic is to ask us what is the cost in one full year of employment, which is the part of the question he quotes, but then he does not quote this bit – 'since the 10th December 2011, by the following persons'. Now many of these people Mr Speaker were not employed by the 10th December 2011; they were employed *afterwards*.

Some of them, Mr Speaker, additionally, were employed seasonally so there is no full year of cost, so we would have to give him in that respect, Mr Speaker, the total salary charged by that individual, say for example, lifeguards that may be some of the people set out in the list that he is referring to.

It is for that reason, Mr Speaker, that I have given him the answer that I have given him. I know that what usually happens to the hon. Gentleman is that when he sees he is wrong, he gets upset and hopes that by the bluster, he will be able to hide his mistake. But I think we have all seen through it today.

**Hon. P R Caruana:** Mr Speaker, the Hon. the Chief Minister is a master at the waffling of rubbish in order to cover his plain ignorant – (*Interjection*) Yes, Mr Speaker, and I am going to demonstrate it. Even to the point of pretending that the question reads something which it does not read, in order to try and wriggle out of the room.

Look, Mr Speaker, the reference to the 10th December is a reference to the date as from which people were employed in respect of which I want the cost of for a full year – *not*, as he has just tried to pretend to everyone listening in this House and everybody listening, that he cannot give me one full year's cost because not everyone was employed from the 10th December.

Look, Mr Speaker, it is perfectly simple English. The question reads: 'Further to Written Question No. 128/2012' – in which he gave me all this information of the number of people they had employed since 10th December – 'Further to Written Question No. 128/2012, will the Chief Minister say what is the cost in one full year since 10th December 2011 of the persons employed?'

1175 In other words, we know they were not all employed on 10th December but they have all been employed *since* 10th December, and because they have all been employed at different dates, obviously they will each have, their costs in a year will not be 12 months between now and March 2013, because they will not have served for 12 months between now and 2013.

1180 So I have said, never mind when they were employed, what is the cost *in one full year*? I doubt that there is anybody listening to this debate inside or outside of this House who does not understand the simple purport of my question, which is (a) that the Government has informed this House that since 10th December, it has employed 58 additional civil servants, 35 additional GHA staff, nine GDC staff, 23 Care Agency staff, six Gibraltar Bus Company staff, three Gibraltar Defence Estates... 54 Gibraltar Research Assistants who were presumably graduates, 531 Employment and Training Co. staff; and I am asking what is the cost of all that payroll in one full year to the Government. If the Opposition is not entitled  
1185 even to *basic* information about accountability of public finances, as obviously relevant as the cost of the employment of public employees, and even to such simple questions, we have to be put off and fobbed off with obfuscation and insulting answers from the hon. Member opposite, I do not know what he thinks this Opposition is in this House to do!

1190 The question is: will the Government tell me what these people would cost in a year, yes or no? If he does not know, I will have it from him in writing at his convenience.

**Hon. Chief Minister:** Mr Speaker, I am very sorry to say that this is what often happens in this House and I am sorry that you are having to see a display of it this evening.

1195 **Hon. P R Caruana:** Get on with it! For God's sake. (**A Member:** You are the one who started it today!)

**Hon. Chief Minister:** I have not said anything to the hon. – Sorry, Mr Speaker, the hon. Gentleman is using some unparliamentary language from a sedentary position. Perhaps he wants to share it with us.  
1200

**Hon. P R Caruana:** I am perfectly entitled to address myself to my neighbour in unparliamentary language.

1205 **Hon. Chief Minister:** Well you do what you like, but I think it demeans this Parliament when you do.

**Mr Speaker:** I think that matters are beginning to degenerate and I may soon have to move on.

**Hon. P R Caruana:** Again, without my getting an answer.

1210 **Hon. Chief Minister:** Mr Speaker, there is no question –

**Mr Speaker:** There may be no answer, whether he gets it or not, but if hon. Members are going to degenerate in making this what they have been doing for a hell of a long time, I am then going to bring matters to a head and go on to the next question! I think I am entitled to do that – or am I not?  
1215

**Hon. P R Caruana:** *Of course* you are entitled –!

**Mr Speaker:** Right then, sit down and let us carry on.

1220 **Hon. P R Caruana:** The question is whether I get an answer or not.

**Mr Speaker:** Sit down and let us carry on.

1225

**Mr Glyn Ford**  
**Engagement by Government**

1230 **Clerk:** Question 1004, the Hon. P R Caruana.  
Question 1004.

**Hon. P R Caruana:** Well, Mr Speaker, if the hon. Member can filibust until Mr Speaker's patience is exhausted, he will not have to answer this question either.

1235 Mr Speaker, can the Chief Minister say whether Mr Glyn Ford, previously a Labour MEP for the South West and Gibraltar region, has been or is engaged by the Government or any Government entity, for any consultancy or other work?

**Clerk:** Answer, the Hon. the Chief Minister.

1240 **Chief Minister (Hon. F R Picardo):** Mr Speaker I will answer clearly and straightforwardly, as I have every single other question asked in this House, (*Laughter*) and I will remind the hon. Member that this Government is putting publicly on its website more information than his Government ever provided even in this Parliament.

1245 I answer him, Mr Speaker, by saying that Mr Ford is engaged by the Government for lobbying activities in Brussels.

**Hon. P R Caruana:** Mr Speaker, can the hon. Member say whether this has been made publicly known by the Government before?

1250 **Hon. Chief Minister:** Mr Speaker, much as was the case in respect of the expenditure under the Lobbying Head at No. 6, this has not been made public before and neither did he make public a number of the things that he entertained under that Head.

1255 I have information if he wants it about the cost of Mr Ford per month and the details of his contract, which I am happy to share with him privately.

**Hon. P R Caruana:** Mr Speaker, I am going to ask for it publicly. The difference between the lobbying engagements that I did and the lobbying engagements that he does out of public funds is that I never employed somebody who campaigned for me at the General Elections.

1260 Mr Glyn Ford MEP campaigned for the GSLP at the last Gibraltar General Election, or the second one, I cannot... Yes, the last and the previous, the one before that. That is the relevance of the matter and I am not prepared to accept the information from him privately. I think that the public is entitled to know how much Mr Glyn Ford MEP, member of the GSLP and campaigner for the GSLP at the last Elections, has been paid by the Government out of taxpayers' funds, for lobbying for the Government of Gibraltar in Brussels. And if he is not willing to provide me with that information publicly, I do not want it in any form.

1270 **Hon. Chief Minister:** Well, then Mr Speaker, he is not going to get it, for this reason: the hon. Gentleman knows that the Lobbying Head which he introduced in the Estimates Book is designed to enable the Government of Gibraltar to achieve the purposes of the people of Gibraltar through lobbying and other campaigns. He has spent in one year up to, I believe, £1 million or £2 million in respect of that Head. When we asked him to provide that information, he would not provide it, so if he was funding – (*Interjection*) That is *exactly* true. He can go back and look at every *Hansard* and he would not give us one piece of information as to what was being spent, what the money was being spent on and if he does not remember, it is because he is having selective amnesia.

1275 Mr Speaker, it is fundamentally important that he should understand –

**Hon. P R Caruana:** May I raise a Point of Order?

1280 **Mr Speaker:** Yes, which Point of Order?

**Hon. P R Caruana:** Well, Mr Speaker, there is no need for you, Mr Speaker, to lose patience – it may be a very good Point of Order for all he knows.

1285 Mr Speaker, I want the hon. Member to just confirm to me whether he is asserting in this House, that he has asked me when I was Chief Minister, or the Government, questions about the expenditure by the Government on lobbying and that he is saying that I refused to give him the information. Is that what he is saying?

1290 **Hon. Chief Minister:** That is not a Point of Order, Mr Speaker, but I will deal with it, simply by saying that although he used to give us a general breakdown of the Head, he would not give us what the detailed expenditure was and therefore, if he had been funding people who had been campaigning for him – not that that is relevant – then we would not have seen it in this House and therefore he is now accusing us of doing exactly what it was that he did.

1295 And what he likes to do, Mr Speaker, because he is trying to re-run the 1996 General Election campaign with all of his lieutenants, is to throw aspersions as widely as possible in an attempt to persuade people that something untoward is going on.

What is going on, Mr Speaker, is that somebody who is very well connected in Brussels is doing a job for the people of Gibraltar and it has achieved some results already. And if he thinks there is something wrong with that, then he has lost his compass and he does not want to achieve the best for the people of Gibraltar; he just wants to score cheap and basic political points.

Mr Speaker, the fact is that Glyn Ford was recognised for many years as representing not the GSLP, but Gibraltarians in the European Parliament, even before we had the right to vote there. He is widely recognised as a friend of Gibraltar. He has recently found that he was not returned to the European Parliament, but is still very well connected with people there. Therefore, Mr Speaker, he is a resource that we believe it is right to retain for the people of Gibraltar and we are delighted to be working with him.

What he needs to understand, Mr Speaker, is that for us as a Government, whether somebody was a GSLP supporter before the Election or a GSD supporter before the Election or a PDP supporter before the Election, whether they remain of that political persuasion after the Election or not, the only issue for this Government is how well can they do the job for which they are going to be retained, what value do they add for Gibraltar? That is what every Government should have been about.

But remembering – because memories are not as short as he might want – what life was like before 9th December 2011, people will be forgiven for thinking that if he is putting his question in this way, it must be because that was exactly what was going on before, when he had control of the purse strings and he used to refuse to give us the detail of the Head in respect of Lobbying and some of the million-pound contracts which we have seen and made public since we were elected reflect exactly that sort of behaviour in respect of that Head and others.

**Hon. P R Caruana:** So, Mr Speaker, we shall simply have to assume that Mr Glyn Ford, campaigner for the Government at the last Election, is just by coincidence... It is just a coincidence that all the early beneficiaries of the hon. Members alleged even-handedness amongst all Gibraltarians all happen to be people who prominently helped the GSLP at the last Elections. We have debated, we have discussed, asked questions about other situations in the past and now Mr Glyn Ford.

My supplementary is this, Mr Speaker: the question is not whether Mr Glyn Ford is qualified or unqualified. The question is not whether he won or lost the last European Parliamentary Election. The question is how much taxpayers' money has he been paid?

I would have thought that if Parliament is not entitled to know that information, then the rules of parliamentary accountability are being re-written in front of our very eyes. Mr Speaker, the question is apparently the hon. Member's position appears to be, 'I will not tell you because I alleged' – wrongly, I charge him – 'that when I asked you similar questions in Parliament you never answered me.' So where is this alleged greater transparency?

What the hon. Members do is publish on their website the innocuous Government financial information, whilst refusing to give in this House the uncomfortable inconvenient financial information that we ask. That is the game that the hon. Member is playing or why has he not put in his transparent Government website (a) that he was employing Mr Ford at all, which it has required an Opposition question to elicit – I would have thought it was a matter of public interest given that they put out five press releases a day on almost everything else that moves – and (b) how much he is being paid? Why has he not put that information on his Government website, if his commitment to transparency and accountability is everything that he claims that it is?

**Hon. Chief Minister:** Mr Speaker, I really think that the hon. Gentleman is past his prime.

**Hon. P R Caruana:** I am past my prime! Of course I am past my prime! *(Laughter and interjections)*

**Hon. Chief Minister:** Absolutely right. It is time that you recognise it, get up and go. *(Laughter)*

**Hon. P R Caruana:** The question is not whether I am past my prime; the question is whether you are hiding information from the people. That is the question.

**Hon. Chief Minister:** There is no question, Mr Speaker, of this Government hiding information from the people. *(Interjections)* This Government is providing **(Mr Speaker: Order!)** – and I know that it is uncomfortable for them, Mr Speaker – without *them* being needed to elicit the information for the public to have access to it, all the information that we sought from them. We are providing, Mr Speaker, in those 'five press releases a day' that the hon. Gentleman pejoratively refers to, the narrative of excellence and the magnificence of a year in Administration that deserves to be writ large and brought to the attention of the public. **(A Member: Hear, hear.)**

That a man has been contracted – not employed, but contracted – to work for Gibraltar in a place where he has huge influence and contacts –



**Hon. P R Caruana:** How much are you *paying* him?

1360 **Mr Speaker:** Order! Order!

**Hon. Chief Minister:** – is not something, Mr Speaker, that would make sense to advertise if what we wanted him to do was advance our cause. (*Interjection by Hon. P R Caruana*) But of course, Mr Speaker, the hon. Gentleman has asked a question and we are now having this debate.

1365 But to go into further detail, in our judgement, is not going to advance the interests of Gibraltar. That is why we are not providing the information. Have we rewritten the rules on parliamentary debate and transparency? Absolutely, we have, Mr Speaker: he is right to give me the opportunity to score this goal, straight, without a keeper.

1370 The fact is that the public now have at their fingertips at home, all the information that they can want access to in respect of Government spending, in respect of Government activity... (*Interjection by Hon. P R Caruana*) (**Mr Speaker:** Order, please.) ...in respect of just about everything that it is prudent for Government's to disclose.

Have we rewritten the rules on parliamentary debate? Absolutely. Now there is a debate whenever the hon. Gentleman wants to put a Motion, once a month and there is a Question Time once a month.

1375 Have we rewritten the rules on openness and transparency? Well, Mr Speaker, you just have to look at how open and transparent the debates even of the Development and Planning Commission are, where anybody can turn up and see what is going on.

The secrecy is *over*, Mr Speaker. Government behind the curtain for the privileged few that enjoyed his largess before 9th December is over, Mr Speaker.

1380 **Mr Speaker:** If the hon. Chief Minister would... I think the matter is getting completely out of hand. This is a convenient moment to have a short recess.

1385 *The House recessed at 4.40 p.m. and resumed its sitting at 5.05 p.m.*

#### **GBC's funding Becoming self-sufficient**

1390 **Clerk:** Question 1005, the Hon. P R Caruana.

**Hon. P R Caruana:** Yes, Mr Speaker, can the Chief Minister say how the Government expects that GBC's funding will become 'entirely self-sufficient'?

1395 **Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, by the profits of the joint venture it has created, namely Gibraltar Entertainment Network Ltd.

1400 **Hon. P R Caruana:** Well, Mr Speaker, I hasten to say that if GBC can fund itself from any legitimate commercial activity or advertising in any way that reduces the charge on the Consolidated Fund for its annual operating budget, that is to be welcomed.

1405 In return, would the Hon. the Chief Minister accept that it would be undesirable that GBC's funding should be from private commercial interests that are able to exert editorial influence over it?

**Hon. Chief Minister:** Absolutely right, Mr Speaker, and there is no question, in respect of what is being planned, that anybody would have any editorial influence over GBC at all; it is quite the opposite. The Gibraltar Entertainment Network is a subsidiary of GBC, not in any way above GBC.

1410 **Hon. P R Caruana;** So that if, contrary to all our hopes, this commercial venture subsidiary should not be profitable or sufficiently profitable, the Government would continue to fund in accordance with its annual budgetary decisions.

1415 **Hon. Chief Minister:** Yes, Mr Speaker, that is the position and in fact it may be that we do not... I imagine that everybody would wish that the profitability of the subsidiary should be such in the early years, that when it dividends up any profits to the GBC, those will be sufficient to extinguish the subsidy. I do not think that is going to happen.

1420 I think what is going to happen is that slowly the subsidiary is going to start coming into profit and it will reduce the amount of the subsidy. One of the things that I am very clear about is that, if the time comes when GBC becomes commercially viable by its subsidiary's activities, then GBC should stop competing in advertising with other entities that may be in the advertising space, like other television stations.

1425 The hon. Gentleman knows that there is now a digital network being established which will allow other television stations to be licensed, other media, newspapers etc, so that the entity that enjoys public funding or has enjoyed public funding to set itself up should not then, once it is becoming a commercial actor, also through its subsidiary, enjoy competition in the advertising space with those that have not enjoyed that largess.

1430 So in a moment or at a time in the future when the subsidiary is making profits sufficient to dividend up the amount of the subsidy, the subsidy disappears.

1435 **Hon. P R Caruana:** And those commercial activities, can the hon. Member say, in summary and in broad brush, what are the nature of those activities? Are they programme production? Are they hosting other people's broadcasts to their infrastructure? What sort of things.

**Hon. Chief Minister:** Mr Speaker, I think I gave an indication of what they would be when I gave my Budget address.

1440 Gibraltar Entertainment Network Ltd will produce either music, television or film productions in Gibraltar. That will mean that those are owned in Gibraltar with the commercial advantages those will give the people who produce them, namely Gibraltar's corporate structure, Gibraltar's treatment of royalties etc. So they will be producing programmes for other networks in the world or for private production companies. So in effect, it is a studio in Gibraltar to do much as studios do elsewhere in the world, with the production agents here making profit from that work and, in some instances, perhaps enjoying a share in the royalties that are paid in respect of what is produced. That should produce the profits to minimise the subsidy.

**Hon. P R Caruana:** But producing programming for GBC or always for third parties?

1450 **Hon. Chief Minister:** Producing programming for third parties. It may be that part of the contract to produce the film or the serial may also involve, in some instances, an opportunity for GBC to put that programme on, at some stage in the future, usually not as the first party to transmit it. That would be the commissioning station and it may be possible, by negotiation, for GBC to obtain rights to transmit that programme at lower cost than if perhaps they went and bought those in these media fairs where they buy TV series and TV films.

1455 But the idea is to use Gibraltar to produce for third parties and to give GBC an opportunity to be part of the company that does that.

1460 **Hon. P R Caruana:** So they are not doing any of the things that GBC does now – not producing local programming, not taking over responsibility for example for news production *à la* ITN in England, which then sells it out to other broadcasters?

1465 **Hon. Chief Minister:** No, Mr Speaker, but what I would say and only as a result of his question, is that it is possible that GBC may use the studios in some instances for its own productions. So if there is a splendid studio which is not being used on a particular night and GBC want to film something, a viewpoint for example or an audience participation programme which they might not have room to do where they are, they may use the studio – but that would be GBC itself, happening to use the studios that belong to GEN and there might even be an agreement in respect of an internal accounting procedure for that and it may be that GEN is commissioned by GBC to produce something for it, but in those instances, I would imagine it would have to be at arm's length.

#### **Internet photographs of Spanish policemen Request for removal**

1475 **Clerk:** Question 1006, the Hon. P R Caruana.

1480 **Hon. P R Caruana:** Mr Speaker, will the Chief Minister say if the Government has requested of those that posted them, the removal from the internet of photographs of Spanish policemen on duty at the Spanish side of the frontier and if it has not, does it intend to do so?

**Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have personally made the request.

1485 **Hon. P R Caruana:** Mr Speaker, two supplementaries: firstly, was that, as reported in the Spanish and local press, at the request of Campo Mayors and things; and has his request been heeded?

1490 **Hon. Chief Minister:** Mr Speaker, it was not as a result of a letter which the Mayor of Algeciras, I have read, says he has sent me, although I have read the letter that he purports to have sent me in the media and no such letter has arrived at No. 6 Convent Place.

1495 But before then, I had taken the step of writing to one of the members of the group and asking for this. I am not yet aware of whether or not all of these pictures have disappeared. I think some of them have, but given the nature of the internet, I think there has been a proliferation of them and even if the main source picture is now pixelated, others may not be, so I cannot give him any certainty in that respect.

**Dispute with Spanish fishermen  
Matters relevant to resolution**

1500

**Clerk:** Question 1007, the Hon. P R Caruana.

1505 **Hon. P R Caruana:** Mr Speaker, will the Chief Minister say what matters, other than (i) the supposed re-establishment of the rule of law and (ii) environmental sustainability, does the Government consider relevant to the resolution of the current fishing dispute with Spanish fishermen?

**Clerk:** Answer, the Hon. the Chief Minister.

1510 **Chief Minister (Hon. F R Picardo):** Mr Speaker, those are the two issues to which we will have primary regard.

1515 **Hon. P R Caruana:** Yes, Mr Speaker, the hon. Member will of course recognise his last answer to me in my question, in which he said that he would take into account the supposed – no, the ‘supposed’ is mine, of course – the re-establishment of the rule of law which he believes to be at stake and also environmental sustainability. Then he went on to say, ‘and such other considerations as the Government considers to be relevant’. So I am asking him what those other relevant considerations are. Obviously, these two are the primary ones, but since he chose to add the limb ‘and other relevant considerations’ to his last answer to me, I think it is legitimate to which I asked for a written answer because I was away from Gibraltar, I am now asking him what they are.

1520 He should not assume that I do not believe that there are others that he should take into account. I believe there *are* others that he should take into account.

1525 **Hon. Chief Minister:** Mr Speaker, what I said in my written answer was that the Government would also have regard to such other matters that it may consider appropriate. Now, the fact is, Mr Speaker, that, as the hon. Gentleman may know we are awaiting any day now the report from the expert in fisheries that was commissioned by the Government some time ago, which will address the issue of environmental sustainability. We do not need much more to persuade us of the importance of re-establishing the primacy of the rule of law and other matters may become relevant, Mr Speaker.

1530 At the moment, although there are issues which may appear to be relevant, we are not yet at decision point, because we do not yet have the report. A number of other issues may of course be relevant.

1535 I will tell him what will *not* be relevant, Mr Speaker, because I think it is important that we set this on the record. What will not be relevant will be the length of the frontier queue. What will not be relevant will be the belligerence with which Spanish politicians decide to address their remarks to Gibraltar. I think it would be common ground across the floor of the House that the incumbent of the office at No. 6 Convent Place and his Ministers in Cabinet should be making decisions about what they think is in the best interests of Gibraltar, with all of the considerations that are relevant to that – and we may disagree on that, on what those are, but certainly with those considerations in mind – not under any pressure, actual or ostensible, from people who may be sitting in Madrid, fiddling their fingers and deciding that there should be a longer queue or otherwise.

1540

**Hon. P R Caruana:** Well, Mr Speaker, I entirely agree. Leaving to one side our difference of opinion about how this issue arose and whether it should have arisen, having arisen I accept that there is no

question of the Government of Gibraltar being dictated to under pain of border queues. That is unquestionably correct.

But Mr Speaker, can I recommend to the hon. Member that when they have found a solution to this, they should not underestimate the importance to Gibraltar in the past, as a by-product of good cross-border relations, of the support that a large body of Spanish citizens in the Campo area have been to Gibraltar on many issues even with their own government. There have been issues like border queues and things of that sort and other issues, where the degree of support for the Gibraltar position, because it coincided with their interests, was important to Gibraltar. He ought not to overlook that fact, when he comes to implementing a solution – because as he must be aware, to the extent that this is being sold in a certain way in Spain, or this is being projected in a certain way in Spain, the victims are from that very community that has, in the past, been the most helpful one to us, namely the Campo and they are reading that as lack of friendliness from Gibraltar to the Campo population – which I do not say it is, but that is how it is coming across.

So one of the relevant factors that he may take into consideration, in addition to allegedly establishing the rule of law and environmental sustainability to the extent that arises, is a desire which I think is in Gibraltar's interests to re-establish good will with the people of the Campo area at the earliest opportunity.

**Hon. Chief Minister:** Can I tell him, Mr Speaker, that actually there is a lot of good will for Gibraltar in the Campo, despite what it may appear in some pages of newspapers that may have their own agenda to fulfil with the government that is finally paying the amount that was due in respect of historic debts of advertising. So it is not everything that one reads in the newspapers in the Campo area that reflects the feeling of people in the Campo; there is actually a large constituency of people that are in touch with us who reflect that actually we are doing a very good thing in respect of fishing. That may be not the majority.

There is also a very large number of people in the Campo who consider that whatever the issues between Gibraltar and Spain, they should not be resolved in the manner that the Madrid Government appears to want to try and resolve them. He will know, and I think it is no secret, that I enjoy a very strong relationship even with the Mayor of the town most purportedly affected by the issue of fishing and who is able to see beyond that issue and the common interest between Gibraltar and the Campo. The figures speak for themselves, whether there are 7,000 or 10,000 Spanish cross-frontier workers in Gibraltar – because of the numbers of non-registered workers being something that we can only ever guess at – the fact is that there are many more than 53, and there are only 53 fishing boats in La Línea that are purportedly affected by this. I am reliably informed that of those 53, there are actually only 10 in operation and not all of those 10 have ever wanted or needed to come to Gibraltar.

Setting it in its proper context like that, as some of the people across the way who are mature and look at this carefully and understand the issue, is not one simply for rhetoric but one for co-operation in everything where it is possible to work together, then I think one comes to the conclusion that there are opportunities for understanding well beyond those that the emptiest and loudest vessels across the way may suggest.

#### **Length of Questions Ruling by Mr Speaker**

**Clerk:** Question 1008, the Hon. –

**Mr Speaker:** Before the Hon. the Leader of the Opposition asks this Question, I want to draw the attention of hon. Members to the Rules and in particular Standing Order 17(1)(i), where it is stated that a Question shall not be of excessive length.

In my view, this particular Question is *not* of excessive length. I repeat it is *not* of excessive length, since it contains a lengthy preamble. However, I would not want this to be cited as a precedent, should any hon. Member in the future wish to ask a Question of similar length.

#### **Gibraltar's interests, rights and responsibilities 'New ways' of co-operation with UK**

**Mr Speaker:** The Hon. the Leader of the Opposition.

1605 **Hon. P R Caruana:** I am obliged, Mr Speaker.  
Mr Speaker, the United Kingdom Permanent Representative at the United Nations recently told the Fourth Committee that:

1610 'The United Kingdom therefore stands ready to explore new ways of taking forward dialogue and co-operation on issues of mutual importance by any means that fully reflects the interests, rights and responsibilities of the people of Gibraltar'.

1615 The question: will the Chief Minister confirm that it is the policy and position of the Government that to be acceptable to the Gibraltar Government such 'new ways' would have to be (i) trilateral, in the sense that the Gibraltar Government would have to be present in its own right, (ii) not expose Gibraltar to the possibility of agreements being reached against the Gibraltar Government's wishes, and (iii) not be pre-determined on any issue of Sovereignty?

**Clerk:** Answer, the Hon. the Chief Minister.

1620 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I can confirm that (i) and (ii) are among those that we would consider a '*sine qua non*'.

1625 As for (iii), the policy and position of the Government is that we will not engage in *any* negotiation, dialogue, discussion or co-operation on *any* issue of sovereignty, whether or not pre-determined or otherwise. The policy and position of the Government is that we will only ever discuss the sovereignty of Gibraltar with the UK Government.

I would also remind this House that the United Kingdom has also repeatedly stated that it remains strongly committed to the Trilateral Forum for dialogue. That is also the position of Her Majesty's Government of Gibraltar.

1630 **Hon. P R Caruana:** Well, Mr Speaker, I accept that the first two are the important ones and the third, which is an important part of the architecture of the trilateral process, reflects what the trilateral process came out of, in terms of succeeded, which is a process that was said to be about sovereignty and not so much the Hon. Chief Minister, but certainly the Hon. the Deputy Chief Minister will recall that in those days the complaint about Brussels was that it was pre-determined about sovereignty. The position then was not that we would never talk about sovereignty, not that we said that we would, but Gibraltar's position was certainly we will not take part in any pre... That is why that language persists, that it was a policy of the Government not to discuss sovereignty in any architecture of dialogue and regardless of the purpose even if...

1640 The danger with that position of course is that you forfeit the opportunity to persuade Spain to drop its sovereignty claim, because of course that would require you to get too involved in a discussion about sovereignty. But still, I get the drift and it is I think a position on (i) and (ii) and, subject to my last quip, also on (iii) across the House.

1645 Can I just ask a supplementary about the United Kingdom's choice of words, 'that fully reflect the interests, rights and responsibilities of the people of Gibraltar', which I think first emerged at the United Nations, if I am not mistaken.

1650 Mr Speaker, the 'interests' is a careful choice of word, as opposed to the 'wishes', because the United Nations language, at Spain's insistence is 'interests', whereas we think that what needs to be reflected is our wishes, not just our interests. The second is 'rights'. These are things which would have to be present, reflected in the architecture of this new way as far as the UK is concerned. The second is 'rights', so I urge the hon. Member to exercise caution with the use of that word, because we do not know what 'rights' means. 'Rights and responsibilities', if they mean constitutional rights and responsibilities, then of course we do not have a constitutional responsibility for external affairs; but that is not to say that it will be acceptable that the new way of dialogue should leave the UK and Spain free to discuss between themselves, for example, sovereignty because it is an issue of external affair for which Gibraltar is not responsible.

1655 Thirdly, 'rights' is a matter of course that is rights as per the Constitution presumably, which is a less controversial one. The difference between us and the UK on that is limited to the question of whether Utrecht curtails the right to independence or not.

1660 But specifically, the UK's decision to use the word 'interests' and not 'wishes', and 'responsibilities', which exclude external affairs for which the people of Gibraltar are not responsible, I think is something that we need to just keep an eye on, to make sure that no process of dialogue... Of course we have the overarching and very valuable commitment never to discuss sovereignty against our consent, which is a pretty important block, but that there should be no question that a new way could be found and implicitly acceptable to the UK which was bilateral in respect of those matters that were not the responsibilities of the people of Gibraltar, because that is precisely what we do not want them to talk about.

**Hon. Chief Minister:** Well, Mr Speaker, I think that we have all taken the view in this House and I am sure it is common ground that any contact between the United Kingdom and Spain on any matter which relates to Gibraltar is a matter on which there must be consultation with the people of Gibraltar, even if it is tangential. There can certainly be no bilateral engagement on anything meaningful, but because of the European Union being as it is, you cannot say to the United Kingdom, 'You cannot have a bilateral engagement with Spain on any matter involving Gibraltar,' because every EU matter involves Gibraltar. Therefore, there is that element of nuance, with the very clear caveat that anything that is going to affect Gibraltar must be consulted with the Government of Gibraltar and Gibraltar must lead on all the aspects that relate to that issue.

But I think we have said on a number of occasions across the floor of the House – and it is important to say it as often as we can – that bilateralism is dead. That does not just mean in relation to sovereignty; it means in relation to all matters which are relevant.

Now, the hon. Gentleman has not referred to the word 'aspirations' and I will come to that in a moment because it is going to be relevant when I answer his next Question, but it is also going to be relevant to this. The fact is that I think he said that sovereignty is an external affair. Did he say that? Did he say sovereignty is an external affair? Because if he did, I do not agree that sovereignty is an external affair; I think that sovereignty is actually a very internal affair, because it affects the architecture of the state and therefore the idea –

**Hon. P R Caruana:** It is vested in the UK.

**Hon. Chief Minister:** That is right. It is vested in the United Kingdom, but as we have discussed earlier today and people will see us say –

**Hon. P R Caruana:** Do they agree?

**Hon. Chief Minister:** – the Queen in this set-up is the Queen of Gibraltar, as our coins reflect, and therefore nobody would be able to do anything in relation to the sovereignty of Gibraltar without consulting the people of Gibraltar, however spurious the argument they might be able to come up with, that it is a foreign affair.

I recognise the need to be careful with these three words. They are very important words and they are not put there by the United Kingdom for nothing. There is a more important word than 'interests' and that is 'aspirations', and that is a different word for 'wishes'. That word has made its way into the consensus decision that was put in the full Committee. I think it made its way into that wording post the Trilateral. The hon. Gentleman will recall that the consensus decision has really been the same for many years; the Trilateral was the thing that changed it, after the 1984 Brussels Declaration.

That change into the wording imputed the word 'aspirations' into the consensus decision and that is really a very, very important reference because 'aspirations' means 'wishes' and therefore the General Assembly, since 2007 I believe, has been talking about 'wishes' by using the word 'aspirations'. That is the overarching principle and I think nobody will ever be able to persuade any Member of this House, current, past or future, that anything other than the wishes and aspirations of the people of Gibraltar were going to be relevant to the future of Gibraltar and if anybody thinks in London or New York – and I do not think that there are such officials nowadays in the Foreign Office – but if anybody thinks that by introducing words like 'interests, rights and responsibilities', that it might be possible in some way to conjoin a doctrine that allows anything to go on without the Government and the people of Gibraltar being involved, then they are, in my view, taking a long walk off a short pier, because the people of Gibraltar are the ones who are going to determine who is the Sovereign in Gibraltar. That is very much an internal constitutional matter in Gibraltar and now even the United Nations in its consensus decision is imputing the word 'aspirations', which is to bring in, finally, the concept of the wishes of the people of Gibraltar into the equation.

That is in my answer to his next Question. If he likes, if I answer that, then we have got that language in and we can carry on... I was going to say the debate, but I had probably say the questions and answers.

**Mr Speaker:** Yes.

**Hon. P R Caruana:** Well, Mr Speaker, my concern is not... Clearly, current ministers in the United Kingdom would not countenance any outcome based on the clever interpretation and use of these words, but because they are now enshrined in the United Nations, we just do not know what governments of what political colours, advised by officials different to the ones that are in post today, might make and it is very important that it should not be said in the future, by a different set of ministers and a different set of officials, that this formula of words allows, for example, the United Kingdom and Spain to restore a bilateral process of dialogue, because they are limited to things that are not the constitutional

1730 responsibility of the people of Gibraltar. I accept, by the way – as I always did to the UK and it is obvious – that the Foreign Secretary is responsible for our external affairs and, therefore, there will be many occasions on which, in the margins of other bilateral ministerial meetings between the UK and Spain, the question of Gibraltar will arise and the Foreign Secretary cannot be prohibited from talking bilaterally to Spain about Gibraltar.

1735 But this statement is not about casual ministerial amongst many other issues... It talks about:

‘the United Kingdom therefore stands ready to explore *new ways of taking forward dialogue and co-operation* on issues of mutual importance by means that fully reflect...’

1740 In other words, they are willing to do it by any means that fully reflect the interests, rights and responsibilities of the people of Gibraltar, so that in the future, someone might seek to interpret that to mean that in respect of something that is not the responsibility, we do not need to... we are not constrained into what architecture of dialogue the UK might agree.

1745 I agree with the hon. Member’s assessment that any such concern is completely premature and unfounded today, but in establishing this new doctrine, doctrinal language, I think it would be good that we record in Parliament and, perhaps, as the Government of the day, record that this interpretation would not be available and is not what these words should be thought to mean.

I hope it is of some help to him.

1750 **Hon. Chief Minister:** Mr Speaker, I think it *is* important to record the unity of this Parliament in that respect. I think it is fundamentally important that whoever came up with that phrase understands that if they did intend that it could ever give rise to such an eventuality, they are absolutely wrong to think that the Government and people of Gibraltar and this House united would not seek to prevent them from doing so.

1755 And can I also say, Mr Speaker, that the hon. Gentleman has said that, of course, there are instances when the Foreign Secretary may find himself speaking to the Spanish Foreign Secretary in the margins or during the course of a European meeting and cannot be expected to not be able to engage to that extent with his counterpart; but when he does so, Mr Speaker – and I am sure this was his position – he does so as *our* Minister for Foreign Affairs in the same way as the Minister for Defence engages on all matters also as *our* Minister for Defence, with responsibility for the United Kingdom *and* Gibraltar, etc.

1760 That is the constitutional position. It is not that we do not have a Minister for Foreign Affairs or Defence; it is that those matters and Ministers are people who advise Her Majesty. On those matters Her Majesty is advised by Mr Hague and Mr Hammond today. Now –

1765 **Hon. P R Caruana:** If the hon. Member will give way. If he will allow me to interpret him, that that was one of the points that we were unable to succeed on in the constitutional negotiation. In other words, we wanted the Constitution to reflect that the Foreign Secretary would conduct our foreign affairs in accordance with the instructions, or words to that effect, or wishes of the Government of Gibraltar and they said no, no, no. So that was one of the few failures on things that we were unable to obtain. So they are unlikely to agree now on the basis that the hon. Member is in effect saying the same thing now!

1770 **Hon. Chief Minister:** Well, Mr Speaker, that demonstrates one of the important steps there still could be for us to take constitutionally of course which brings us to an earlier debate but Mr Speaker, whether or not it is enshrined in the Constitution that that is the position, that is actually the position because what a Minister does, of any Crown, is advise the Crown in respect of the matters for which he has responsibility. So the Foreign Secretary would be advising Her Majesty directly and I think we see it in the way that Warrants are done for Judges etc where in the old days, I do not know whether it is still the position, the Foreign Secretary would sign a Warrant on the advice or as a delegated power from Her Majesty. So that constitutionally must fit into this framework but there is no question, Mr Speaker, of anybody being able to pretend that this language is going to advance the cause of those who might be able to wind a way round the double lock that has already been secured or the Trilateral Forum that has already been secured and which the United Kingdom, Gibraltar and the principal party of opposition in Spain remains strongly committed to. I tell you one party, one of the principal parties in Spain that does remain strongly committed to the Trilateral Forum.

1785 **Hon. P R Caruana:** And Mr Speaker, if I can just conclude by saying that that last articulation by the hon. Member which I will not repeat, is the position around which this House and Gibraltar’s politicians should unite as being our common position. And I think that is a position that fully fits into the policies of both parties and I think is a strong position for Gibraltar to stand on and defend together.

1790 **Hon. Chief Minister:** Well, Mr Speaker, I think it is something which has been clear for some time. It is not anybody having to change their position for us to achieve that convergence, so I am delighted that it is possible to now distil from our position (*Interjection by Hon. P R Caruana*) (*Interjections*) a prominent position, because of course when a position is common, it is possible to do it across the floor of the House and distil it, but when it is stretched and trying to serve a party political purpose, you know people who try and do that should really at least take the precaution of picking up the phone to try and do it.

1800 **United Nations consensus decision on Gibraltar**  
**Text this year**

**Clerk:** Question 1009, the Hon. P R Caruana.

1805 **Hon. P R Caruana:** Yes, finally, Mr Speaker, will the Chief Minister say what has been the text of this year's consensus decision on Gibraltar in the United Nations and will he lay a copy of it in this House?

1810 **Clerk:** Answer, the Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Well, Mr Speaker the text of this year's consensus decision on Gibraltar in the United Nations is as follows – and I am going to read things that I do not like, so nobody should think that this is my position or the position of anybody in this House, but here we go:

1815 'The General Assembly, recalling its decision 66/522,  
(A) Urges the Governments of Spain and the United Kingdom of Great Britain and Northern Ireland, while listening to the interests and aspirations of Gibraltar, to reach, in the spirit of the Brussels Declaration of 27 November 1984, a definitive solution to the question of Gibraltar, in the light of the relevant resolutions of the General Assembly and applicable principles, and in the spirit of the Charter of the United Nations;  
1820 (B) Takes note of the United Kingdom's desire to continue with the Trilateral Forum for Dialogue on Gibraltar;  
(C) Takes note of Spain's desire to replace this Forum with a new mechanism for local cooperation in the interests of social wellbeing and regional economic development, in which the people of the Campo de Gibraltar and Gibraltar are represented.'

That is the text of the decision.

1825 Mr Speaker, I believe that this has been aired publicly in New York. (*Interjection*) No, I agree. I even believe there might have been an article in one newspaper that reflected it. We have not been able to find it in the source material of the United Nations and therefore making it publicly available by laying it in this House is an option I considered at the invitation of the questioner, but I have no document to lay in this House other than simply the text of this which is now in *Hansard* because I have read it out and is therefore available for anybody who may want to have regard to it. (*Interjection*) Absolutely. Anybody who may want to have regard to it.

**Hon. P R Caruana:** Mr Speaker... Sorry, did he finish there? (**Hon. Chief Minister:** Yes.)  
1835 Mr Speaker, I presume the consensus decision has now been adopted at the United Nations. Is it not most unusual? Is he aware what the reason might be? I know it took much longer to negotiate this year, for obvious reasons – the spat about the Trilateral Forum and the references to it – but it is most unusual that it is just *not* available... I have not been able to find it on the UN sources; it is not reported in the Gibraltar press, by which normally it has been. (*Interjection*) Yes, in other years, it has been reported and I just wonder whether the hon. Member can cast any light on what might be the reason for the lack of visibility about the decision this year.

**Hon. Chief Minister:** Well, Mr Speaker, he may find this peculiar, but in the time available, I have not been able to get a clear indication of what the failure of publication relates to.

1845 One can speculate with a thousand different reasons why this may be the case, but if it is any consolation, I am endeavouring to find out why this is not already available on the UN website, as would usually be the case, and I am quite happy to share with him that information when I have it, because I think our common experience has been that, in the week after we have returned to Gibraltar, there is usually a press release from New York that deals with a lot of the representations made and the consensus decision is usually carried in that press release and is then accessible, as are all the previous years' consensus decisions accessible. So as soon as I know why this has happened, I will share that with him.

1850 I know that the United Nations itself has had a difficult time with shut-downs because of storms and you know that there is a refurbishment now going on in the building, etc. I do not know whether that is



the issue because the Security Council still continues in operation, but whatever it is, we need to know why this has not been published and whether in fact more of the work of the Fourth Committee has not seen the light of day.

**Hon. P R Caruana:** And my final supplementary with your indulgence, Mr Speaker, is this: when I was doing the job that he now does, I used to be intrinsically involved, not always getting my own way, but certainly heavily consulted and participated in the negotiation with the UK of the language of this whenever any change was produced, or when Spain wanted change and proposed it to the UK. In other words, the UK, by smokes and mirrors, would involve us.

Can I ask the hon. Member whether he has been involved in the re-jigging of the language this year, following the PP's unilateral withdrawal from the Trilateral Forum? Can he say that – aside of his disagreement, which I share, with the continuing reference to the Brussels Declaration which I was never able to obtain the removal of – that he is satisfied with it? Clearly, it does not reflect the Gibraltar Government's position, which is that the Trilateral Forum is still extant, even if one party of it is refusing to approach its Chair and therefore cannot be convened.

Was there an attempt to continue to leave the reference to the Trilateral... or did Spain simply refuse? Can he say something about the degree and extent of his involvement in the language that has ended up on this piece of paper?

**Hon. Chief Minister:** Mr Speaker, the position has not changed. The United Kingdom has continued to consult the Gibraltar Government on these issues.

These are issues which leave a very bad taste in the mouth, because one is asked one's opinion and one's opinion is clear and then that is not reflected, of course, in what emerges. From what I am about to say now, please, nobody should for one moment read any happiness with the text as it is, because it has so many hostages to fortune in it – not just the reference to the Brussels Declaration, but simply the structure of the whole thing, the contradictions between references to aspirations and then the letter of the Brussels process and then just talk of the spirit of the Charter etc. This is not a document that any Gibraltarian would draft or would want to see drafted. It is the product of diplomacy.

I can tell him that we were consulted on it. I can tell him that one of the issues was – and I imagine this could have been the subject of conjecture, it does not require me to confirm it in this House – that Spain no longer wanted there to be a reference to the Trilateral, but of course the United Kingdom's position in respect of the Trilateral has been made very clear and is exactly the same position as the position of the Government of Gibraltar, as our continued strong commitment to it, and there was the benefit as he will know, of the previous consensus decisions that already referred to the Trilateral and which the General Assembly had adopted.

Therefore, our view expressed to the United Kingdom was that if Gibraltar and the United Kingdom felt strongly about something and Spain felt strongly about something else which might be contradictory, then the best way to deal with it might be by way almost of having preambular paragraphs that set out the position of each of the parties.

To an extent, that is what is reflected there by, in (B) and (C), setting out the position of the UK and the position of Spain. But even the position of the UK is not as he and I would have drafted it, because we would have liked to have seen it drafted in much more trenchant terms and I am sure that they could not stop us if they gave each of us a red pen, writing in the unqualified right of the people of Gibraltar to self-determination, etc.

This is unfortunately not that sort of document, but it reflects consultation with us and, despite that, does not reflect what we would have liked to see, even in a diplomatic compromise.

### Adjournment

**Clerk:** The Hon. the Chief Minister.

**Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that the House do now adjourn to tomorrow at 4.00 p.m.

**Mr Speaker:** I will now propose a question that this House should now adjourn to tomorrow at 4.00 p.m.

I will now put the question, which is that this House do now adjourn to tomorrow at 4.00 p.m. Those in favour. (**Members:** Aye.) Those against. Carried.

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This House will now adjourn to tomorrow at 4.00 p.m.

*The House adjourned at 5.45 p.m.*