



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.00 a.m. – 1.05 p.m.

Gibraltar, Thursday, 27th June 2013

The Gibraltar Parliament

The Parliament met at 10.00 a.m.

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

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

Order of the Day

BILLS FIRST AND SECOND READINGS

Appropriation Bill 2013 For Second Reading Debate continued

Clerk: Sitting of Parliament, Thursday, 27th June.
The Second Reading of the Appropriation Bill continues.

Mr Speaker: The Hon. the Chief Minister.

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Chief Minister (Hon. F R Picardo): Well, Mr Speaker, after well nigh on two whole days of speeches on the Appropriation Bill, six of them from front bench Opposition Members and one from the hon. the backbencher, I think I and everybody else in the community can tell that the palpable desperation of Members opposite, which was evident in the days before the last General Election, is still far from dissipated, and days before the coming By-election is becoming more and more evident again.

And I can understand why, Mr Speaker.

You see, Mr Speaker, there is a well known notion in military parlance, that attack is the best form of defence, and we have seen a whole lot of attacking from the Opposition benches. Some of it was not even elegant attacking; some of it was just name calling of the worst sort – people being called petty. That is

15 the sort of level to which the debate was allowed to descend by the Leader of the Opposition in marshalling his troops for this debate.

So in applying that military maxim, if attack is the best form of defence, if this was a defensive strategy, then it is because obviously Members opposite have a whole lot of defending that they needed to do. Let me tell you and the public, Mr Speaker, why it is that they had to do so much obvious defending.

20 It is obvious, Mr Speaker, that Members opposite have wanted to turn this debate on the By-election, this debate on the Second Reading of the Appropriation Bill, into the same arguments that we ran at the time of the General Election, with a second theme which is that any success, any economic success of this Government must reflect economic success of the Government of Gibraltar up to 8th December 2011, and any health of public finances today must reflect health of public finances as at 8th December 2011.

25 And the theme is developed, Mr Speaker, by talking about a 'Big Lie'. Now, of course, lying is not something that one talks about in this House. It is not parliamentary language, but hon. Members have been deploying the concept of the Big Lie during the course of their campaign and referring to it in the context of their speeches, but not calling us liars; simply referring to the Big Lie. So fair enough, that is the sort of language which is now acceptable, as long as we are not calling each other liars and I think that is absolutely appropriate.

So, the whole argument is the Big Lie was developed by the now Chief Minister, when Leader of the Opposition, in telling people that debt was too high, and that public finances were not sound. *They* say, as part of their theme, public finances were healthy when the GSD left power and that, therefore, is the Big Lie. And they say that the evidence that this was a Big Lie is the health of public finances today.

35 Okay, well, they would say that, wouldn't they? They have got no arguments left!

They said it last year during the course of this debate. In fact, the whole debate last year was based on that premise as far as they were concerned. They said it again this year and although it is boring and repetitive and our people deserve better, that is about all that the GSD can dish up these days, trying to re-run the argument that they lost in December 2011.

40 Well, I am surprised that they wanted to run that argument for a second year running and on the eve of a By-election. It might have been the easy way out of writing speeches, to challenge what is *undoubtedly* the best Budget in Gibraltar's history, and if you have nothing left to say, attack is the best form of defence. But now that they know the reality of the health of public finances today, and the powerless state of public finances on 8th December 2011, I am surprised that they were lazy enough to go for that tactic and not be a little bit more imaginative. At least they made my job easier, when deciding how to reply to their remarks.

45 You see, Mr Speaker, even the Members opposite who were not in Government up to the 8th December 2011, and did not make it through the glorious new dawn of the morning after, even those, even the rookies, even the new boys, they now know the reality because I took them through it step by step last year; because it is black upon white in the Estimates Book that they tried to ignore.

50 They have seen the transformation of the figures – if they have looked at the figures, because as I will say when I come to deal with Mr Figueras's intervention, he did not mention one number! He did not talk about one figure in the context of a speech on the Appropriation Bill. So look, it may be that he did not look at the Book, he did not look at the schedule to the Bill that we are discussing. But the others I assume did. At least the Leader of the Opposition did us the courtesy of doing an analysis, however flawed I may believe it was, of the figures.

55 So they cannot pretend, Mr Speaker, that they do not know what the numbers are and that they have given their speeches in ignorance. They cannot pretend that they trusted Sir Peter Caruana to tell them what the figures were, because they have got an obligation as Members of this House to look at the schedule to the Bill, which is the Estimates Book. And if they have got memory, they will remember what I told them last time. Even if they want to disregard everything I said during the General Election campaign, they must have heard what I said in my speech last year when I introduced the Bill; in my speech last year when I replied to them; in my speech this year when I introduced the Bill – although of course, as the Leader of the Opposition said, nothing I said was going to change what he had to say. Of course not, he came with a prepared text and I could have said, Mr Speaker, that Gibraltar had staked £1 on the Texan lottery and we had won \$2 billion and all our problems were solved; the Leader of the Opposition was going to give the same speech that he turned up with in his prepared text.

60 But they have all heard the arguments, and so one has to assume that knowing the arguments, they had to somehow find a way around this brilliant Budget. And the only way that they could do that was to concoct a ruse, a ruse that gives them a way around the brilliant Budget, something of a deceptive narrative that is going to be enough to paper over the cracks and not result in a complete demolition of support for them at the next General Election.

70 This is an exercise in simply trying to stay alive on Polling Day next week. It is no more than that. It is not trying to win; it is simply trying to stay alive.

75 Well, Mr Speaker, because with the figures available, the general public – not that many would be interested – but the general public if they are interested in looking at the numbers – will see that this is just a ruse, a deception. Well, their game is up, Mr Speaker. This is the end of the ruse.

You see, Mr Speaker in the context of the speeches that we heard, Mr Feetham said that he was going to demonstrate things, but he did nothing of the sort. He just argued his way around figures.

80 Then Mr Bossino said that he was going to prove things. I did not see him prove anything. I heard him try and develop an argument around very difficult figures that were a poison chalice obviously. How can you deal with the largest ever increase in Gibraltar's unemployment in history, when you are representing the party that only brought 22 new jobs for Gibraltarians a year into our economy, when one of the giants of Gibraltar politics has managed to create 524 in one year? It did not prove anything. It did not demonstrate anything in their arguments.

85 But as usual, Mr Speaker, I will be different. I *will* demonstrate things during the course of this reply to their arguments and I will demonstrate it with documentary evidence. I will put things beyond argument. Not just with the Estimates Book that they have chosen to ignore, because few people will look at it and they have banked on that Mr Speaker. They have banked on the fact that members of our community are not going to look at the Estimates Book – although I am going to try and take them to one particular figure there now – so that they could argue whatever they liked.

90 But I am now going to demonstrate, prove, evidence, using evidence from the Treasury and from the Ministry of Finance, that the GSD left Gibraltar and its public finances in the most *parlous* situation imaginable. I will not make an argument. I will not try to persuade them. I will demonstrate the position to this House and to the general public, so that they know what they are dealing with. And when I do that, Mr Speaker, I will not have debunked the argument that the Election was a Big Lie; I will have demonstrated *who told the lie*.

95 Now, Mr Speaker, because there is very little original thought on the benches opposite, the concept of the Big Lie, as you know better than us, is one that comes from the early 1970s in an election held then, the 1972 election – an election which will become relevant again when I reply to Mr Figueras – but it was actually the winning side that demonstrated that a lie had been told about them – a winning side with which Mr Speaker will have a great affinity, I believe it was his first entry into Parliament.

And that is what I am going to demonstrate today: that the Big Lie has been told about us by them, Mr Speaker.

105 So, without further ado, let us do the debunking of the demonstrating, the proving and the evidencing.

So okay, we said during the General Election campaign – I started saying it here through the Budget debates of 2011 – that Gibraltar's net debt was too high and we said that gross debt was too high. The Hon. the then Chief Minister, now the backbencher's argument was that the measure of debt was such that it was not too high as a ratio of GDP and that was his argument. People could take it or leave it, they had a choice, this is a democracy. Up to there, arguments based on published numbers.

110 Then we are elected and I find myself in a situation where I have to make an address to the nation, a Ministerial Statement to the nation, in early January 2012. Mr Speaker, they mocked that Ministerial Statement as *much* as they could. They talk about me putting on a solemn face, they do everything possible to try and make people think that what I said there should not be relied on.

115 And Mr Speaker, sometimes it is apposite to remind hon. Members that I do some things as Leader of the GSLP and I do some things as Chief Minister of Gibraltar. I did that Ministerial Statement as Chief Minister of Gibraltar, not as Leader of the GSLP. I was talking to *all* our citizens and for *all* our citizens.

I told our people then, to illustrate the state of public finances when we took over, that the notion of a golden legacy left by the GSD is just completely *untrue*.

120 I am going to do an analysis of the legacy that the GSD left Gibraltar on 8th December 2011, when I deal with Mr Bossino's intervention, because he is the one that seems still so much in the thrall of Sir Peter, that he still feels he needs to talk about what a great job he did, despite the obvious betrayal at the Leadership election time.

125 So anyway, how is it that I can demonstrate that the economic legacy, the public finance legacy, was not a golden legacy; that there was not enough available cash reserve to meet outgoings for that financial year without more borrowing?

130 Hon. Members will no doubt have had their spies, as we had ours, following us round the estates to hear what it was that we had to say, and I said during the course of the 2011 General Election Campaign, that if hon. Members opposite were elected, they could not carry out anything in their manifesto, other than by increasing debt.

I used to put it very succinctly Mr Speaker, I used to say the way that they are going to finance their manifesto is D-E-B-T – *debt*. I used to spell it out, Mr Speaker, in case people still did not manage to grasp it. My goodness, Mr Speaker, was I right or was I right!

135 But how can I demonstrate it, Mr Speaker, beyond peradventure – not by making arguments as they do on numbers? How can I prove it in a way that puts it *beyond doubt completely*?

Well, it is very simple, Mr Speaker: I am today publishing memoranda from the Treasury that demonstrate the position as at that moment in time. Members of our community will no longer have to decide if they think Picardo is right or Feetham is right. They will not have to try and work out which side is dissembling or trying to distort figures. No longer will people have to think about whether they trust the GSD or the GSLP Liberals to have told the truth on this argument. It is too unfair on our people not to clarify the position beyond doubt. We have gone beyond that now. It is too important, Mr Speaker, because they have made this the central issue in the public debate, and their attempt to weave a web of deceit around this issue *must be now dealt with*.

So I have sought the consent, Mr Speaker, of the Financial Secretary and I am therefore taking the unprecedented step of immediately putting into the public domain two memoranda from the Treasury.

The first is a note prepared by the Financial Secretary himself, and dated 8th December 2011. The Chief Minister on that day, the day of the Election, was the Hon. Peter Caruana as he then was. It was not, as people might think, a day when there is not a Chief Minister; there is a Chief Minister on the day of the Election. In fact, even after the votes are counted, there is a Chief Minister until the new Chief Minister is sworn in. And the first memorandum that I am putting into the public domain, is dated *8th December 2011*.

The note sets out the exact position of public finances on that date. It is a snapshot of Gibraltar's public finances on that date, which the Financial Secretary has made available to me and which he puts on a file, I think very wisely, so that it is beyond argument that the position on that day, on the day of the Election, the day before potential takeover by a new Government, is set by him in effect in stone, and put beyond discussion.

A copy of it will be circulated to all the media in Gibraltar and made available on the Government's website so that the whole of our community can look at it. It is a one page document, Mr Speaker, and it reflects the Financial Secretary's calculations and his conclusions on that day, on the day that Gibraltar was voting, on the day that they were hoping to have persuaded Gibraltar that its public finances were stronger than ever, on the day that they were boasting of the health of our public finances, and this snapshot tells the real picture: a very, very, bleak picture indeed.

Because this document, Mr Speaker, reflects £20 million *only* on 8th December of available cash reserves.

Mr Speaker, in 1988, £20 million might have taken you a long way, between December and March, the end of the financial year. In 2011, £20 million in December, in mid-December, with the December payroll to go, and three more to go, with capital expenditure commitments of £87 million, rising to £100 million before the end of the financial year, on a Budget of £450 million, even Members opposite will be able to work out, £20 million would not have got us to the end of the financial year on 31st March.

Exhibit A: the Financial Secretary's note of 8th December.

Well, Mr Speaker, the second document is dated 13th December, five days later. It is a document, Mr Speaker, that I will remember for the rest of my life. I call it, Mr Speaker, the 'doomsday memo'. I do not think we had the opportunity of enjoying our first Christmas as Ministers, Mr Speaker, relaxing after an arduous election campaign, and settling in with our families for what might have been a celebration after 16 years of being in Opposition. Because this document, addressed to me, Mr Speaker, barely four days after I was sworn in as Chief Minister, less than 24 hours after the Deputy Chief Minister and I had assigned Portfolios to hon. Members on this side of the House, less than 24 hours after the first Cabinet Meeting of the new GSLP/Liberal Government, I receive the 'doomsday memo' from the Financial Secretary.

Of course, at that stage, I do not know about the memo that he has put on the file on 8th December.

And so Mr Speaker, I was not used, at that time, to receiving correspondence addressed to the Chief Minister. I almost felt as if I should send it to the Hon. Sir Peter Caruana at Irish Town. It is peculiar when you are first elected to receive letters addressed to the Chief Minister. For a moment, Mr Speaker, I wish it *had* been addressed to the Hon. Sir Peter Caruana, rather than to me. I wish I had not been the recipient of this memorandum.

The document in question, Mr Speaker, as I have said, also from the Financial Secretary, sets out the calculations done by Mr Dayaram Tirathdas on that day, 13th December – five days after 8th December. I do not stop telling them the numbers, Mr Speaker, because they obviously have an issue with numerology. *Five days later*.

He tells me, Mr Speaker, in that 'doomsday memo', that the *actual* figure of gross debt is £520 million – not the published figure estimated of £480 million, which is where the GSD had told us we were going to be in March 31st 2012; not that figure of £480 million which was anticipated, but *£520 million*.

And I recall, Mr Speaker, the Hon. Mr Keith Azopardi's face – I do not know whether they caught us on camera or not – during the course of the Leader's debate on the night of 7th December. Hon. Members will know that is the one Leaders' debate which they did not object to Mr Azopardi attending. They talk about being so democratic but they did not like people interfering with their Leaders' debates and in

2007, they prevented Mr Azopardi from attending that debate. In 2011 he was there, the hon. the now backbencher, the then Chief Minister was there and of course I was there.

200 And, during the course of that debate, hours before the polls opened, the Hon. the then Chief Minister said, 'Oh and by the way, of course the gross debt is £518 million.' I do not know what my face looked like, but I will always remember what Mr Azopardi's face looked like, because both our faces fell.

205 There was a book published, that told the general public in an election year that the gross debt was going to go up to a *maximum* of £480 million by 31st March 2012, and it had gone up to £520 million on the day of the election – still four months away. Talk about spending being out of control!

210 Anyway, when one receives the 'doomsday memo' – I had been quite enjoying being Chief Minister for those 72 hours between the swearing-in and receipt of this! – there is one thing that just *lurches* out of the page. I did not know about the memo of 8th December, but in the memo of 13th December: 'total available cash reserves, Chief Minister, to get you to the end of the financial year, Chief Minister, are £16 million.' In five days, between 8th December and 13th December, useable cash reserves had gone down by £4 million. We had not even, at that stage, spent money on more wine gums for No. 6 Convent Place. (*Banging on desks*)

215 And there it is, Mr Speaker, black upon white, no room for doubt, no room for argument. The debate is no longer about which politician you can trust. This is the unadulterated reality of public finances on 13th December 2011 – the unimpeachable truth of public finances on 13th December 2011.

220 I can see that the Hon. the Leader of the Opposition is laughing nervously. I wondered why Mr Caruana might have favoured one or the other, and I do not know whether it is that he thought he was giving Mr Bossino the poison chalice of the Employment Portfolio or whether it was Mr Caruana who was giving Mr Feetham the poison chalice of having to defend this. There is always, usually, Mr Speaker, an interim leader that loses the next one, before the favoured leader comes through. We have seen it everywhere else.

So look, I understand entirely and I forgive them completely for their nervous laughter at this difficult juncture.

225 On the eve of a By-election campaign, to see the whole thrust of your argument *shattered* with evidence must be harsh. I do not feel for them, but I understand how nervous they must feel.

230 Because you see, Mr Speaker, the state of public finances of Gibraltar when the GSD left office was very, very precarious indeed – probably more precarious than ever. And let me do a basic calculation for the general public and for Members opposite.

235 When we took over, assuming that on 9th in the morning, when we were sworn in at 10 o'clock – I was sworn in as Chief Minister, other Members were sworn in as Ministers not yet with Portfolios – let us assume that it is still £20 million, the same as on the 8th. So the day we take over it is £20 million available cash reserve. That means, Mr Speaker – and they have got to understand this – that we were £20 million away from breaching the statutory limit prescribed under something called the 'Borrowing Powers Act' for the financial year 2011-12 – the Public Finance (Borrowing Powers) Act.

240 Four days later, the useable cash is reduced to £16 million. I do not know if the hon. Members opposite have the Estimate Book with them – it appears that they do not, although this is what the debate is about! I am not surprised Mr Speaker given that we have not heard much analysis of the numbers, other than of course, I accept from the Leader of the Opposition, who did an analysis, which I think is flawed, but he did an analysis – and he is now showing me he has his Book. I think he is going to wish he did not have it.

245 If I take him to page 3 of the book, Mr Speaker, the actual position of net public debt on 31st March 2012 – it is the extreme right column, on the second row, headed 'Public Debt' – is £303.4 million. The ceiling of net public debt for that year was £306 million.

250 Do they understand, Mr Speaker, that therefore the position in which we inherited the public finances of Gibraltar saw us find ourselves, as at that date, with £2.1 million of available cash reserve? *Thank goodness* that there was a new dawn on 8th December and that from a position, a record low that we inherited from the GSD, available cash reserves now are *up to £85 million!* (*Banging on desks*) (**Several Members:** Hear, hear!) £35 million given to community care, which they had brought down to *zero!*

255 Mr Speaker, the second part of the 'doomsday memorandum' of 13th December is that the Financial Secretary recommends that I should come to this House and seek an urgent resolution from the House, in order to enable the further drawing on cash reserves, to meet ongoing capital expenditure commitments and ensure that there is sufficient cash to meet day-to-day Government business. That is the effect of the low available cash reserve: that you have not got the money to meet day-to-day Government business commitments and capital expenditure commitments. That is the situation in which they put us.

There is no point in pretending, Mr Speaker, if they are now foolishly going to go down that route again, without waiting a year for people to forget the argument that they had this time, that they did not know that this was the case, although they seem to be pouring over the numbers now thinking 'Oh my goodness, is this actually true?'

Perhaps now that Sir Peter is not there and they are doing their own calculations for themselves, they are thinking to themselves ‘Oh damn it, he is right!’

260 But they cannot pretend that they did not know, because they campaigned on the basis of the health of the economy and the health of public finances during the General Election, and they have done it again this time. ‘Everything you are achieving, the health of public finances today, oh GSLP/Liberals, you are achieving because of the golden legacy that we left you.’ (A Member: Hear, hear.) ‘The golden legacy that we left you’ – if he is stupid enough to ‘Hear, hear’ that, Mr Speaker, after I have shown him what
265 depths they took Gibraltar to in terms of public finances, then perhaps the rest of what I am going to say is flawed, because they must have been lobotomised. (*Laughter*)

They know, Mr Speaker, because the £520 million of public debt was disclosed by the Hon. the then Chief Minister on television on the Leader’s Debate the night before the election. And I assume, that
270 unless they had other agenda, they were all watching their then glorious leader in glorious Technicolor, on analogue GBC as it then was, with their popcorn, and enjoying every minute of it, so they must have heard him say £520 million.

The second, Mr Speaker, was that in a fairly fiery and combative speech at a state occasion like the ceremonial opening of the Parliament, the hon. Gentleman who was then the Leader of the Opposition, did not simply concede the point; he insisted – perhaps like a Pied Piper that wants to keep his fans
275 happy, or a David Koresh that has managed to convince people of his messianic qualities – that everything was alright. But, there was a sting in the tail of his argument on public finances. He said, ‘And if you need a resolution of this House, if you need any instrument of this House in respect of public finances, we will of course support you.’ Well, that might have passed me by at a different time, but in receipt of the ‘doomsday memo’ I knew exactly what he was talking about and he knew exactly what the
280 position was – *exactly* what the position was. ‘Whatever parliamentary approval you may require as a Government, for additional borrowing, we will be happy to provide.’

And then after I do my Ministerial Statement, in his reply – artfully done because he admits everything I say, but then says that what I am saying is not true – artfully done – he said explicitly this: ‘If
285 I had been elected I would have sought a resolution of the House to extend the borrowing limit we took beyond the £20 million available on 8th December.’ So they must have known, Mr Speaker, what the position was, because their then glorious Leader was telling them.

So Mr Speaker, with all of that evidence – and it takes a few minutes for them to see that their Budget the year before was for £450 million for the year 2011-12 – they *must* now realise that to find Gibraltar’s public finances in a state where there is only £16 million available or 3.5% of the Budget for the year on
290 the day that you are elected, was a matter of very grave concern indeed.

Public sector salaries cost more than £16 million between December and the end of March, Mr Speaker. And of course the position was inconsistent with the Estimates. The Estimates that had been presented in this House, on which the election was fought, with only one figure difference on the last
295 night, 12 hours or nine hours before the poll opened – which was when the Hon. the then Leader of the Party opposite, dropped the clanger of the £520 million – the Estimates showed an end of year gross public debt of £480 million and *useable* cash reserves of £90 million. That is what their Estimates showed.

So imagine in that context, Mr Speaker, receiving the ‘doomsday memo’.

On 9th December, Mr Speaker, one of the things that the Financial Secretary said to me, which he then put in this memo, just as a briefing so that one is aware of what is happening, was that the advance to wholly owned Government companies stood at £87 million and by the end of the financial year would be
300 £100 million. Mr Caruana himself accepts that that is the case, but says this would have been covered, as we sold assets to cover this £100 million.

Well look, Mr Speaker, if you owe somebody £100 million and you say you are going to pay it by
305 31st March and you do not pay it by 31st March, and you turn up in the office of the person who lent you the money and you say, ‘Well you know, Peter, don’t worry, I’m going to sell stuff to be able to pay you’, the response would likely be, ‘Hang on Paul, the whole point of me lending you the money was that you would have sold all of those assets or paid me otherwise by today’s date. If you can’t pay me, you have
310 got a £100 million hole in your balance sheet.’ And that is exactly what we found, Mr Speaker.

And that is also reflected in the ‘doomsday memo’, and in the information provided to the Government, because of course, how can one repay £100 million, if all you have got is £16 million available – and that is the companies? But you cannot even give the companies the further advance that they need, because they are going to have to spend that £100 million before 31st March. You have only
315 got £16 million left, if you give them £13 million to take them up to the £100 million that they need, you have got £3 million left for everything else!

So, Mr Caruana said ‘Oh’ – and I salute his style. How he was able to admit everything in his response and then say that it was not true, and then simply say in respect of the £100 million, ‘Oh, it’s just a cash flow issue’...! Well look, Mr Speaker, I would like to see any politician explain to the hard

320 working public servants of Gibraltar on pay day that there is not enough money to pay them, because of a cash flow issue. That would be fun!

But that is where they put us, Mr Speaker. They put us almost in La Línea territory.

325 Or perhaps to our contractors Mr Speaker, who were doing the capital projects and say to them, 'Well, you've done all the work, but I can't pay you. But don't worry, it's just a cash flow issue.' Well, is it not always just a cash flow issue? 'I don't have the cash, because it is not flowing' – is that not the debtors' usual refrain, Mr Speaker?

330 So if they want to go out campaigning, saying that there was not this black hole, if their candidate in this by election campaign says that there was no such hole in our public finances and that we told a Big Lie, after she sees the 'doomsday memo' and the memo of 8th December 2011, and after she sees this page of the Estimates, which I am personally going to send her, with a copy of my reply, because I think she deserves it, I think she deserves to have the facts and not be led up the garden path by hon. Members opposite, then I daresay she may want to stand as an Independent this time round, rather than as a GSD member. (*Banging on desks*) She may well go back to being an Independent and not have to defend the indefensible which they are lumbered with. I am going to send her this material, because she has still got time to say to people that she will not take their whip if elected, because what they have done is so disgraceful in the attempt to pull the wool over people's eyes that she will have no part of it.

335 Mr Speaker, when we were elected we decided we did *not* want to take the advice of the Financial Secretary and come to the House for a resolution to increase our borrowing. Our manifesto was about reducing gross debt and net debt. We were not going to increase gross debt further, so we did not come here to seek the resolution.

340 It is also a priority of our Government, nonetheless, to have increased available, usable cash reserves to a more prudent level as we set out in our manifesto. So what did we do? What have we done? How did we make it to the end of the year?

345 Very simple. As hon. Members know and as the general public knows, we had to stop the capital projects. If you have not got the money, you stop spending: it is the only answer. I said to the general public that we would do that in my Ministerial Statement, 'this is the state of our finances, this is what we have to do, we have to stop spending.'

350 I would love a tunnel under the runway and so much more. I would love a runway that extends into the Mediterranean and can take the Airbus A380. But Mr Speaker, you have to spend within your limits and not allow yourself to do what hon. Members did. And you have to spend on things which produce income or which have a social benefit for the community, not on vanity projects.

355 So I immediately said, with the support of my Cabinet, we are stopping these capital projects. We did not buy any more lavish public toilets. We did not invest any more in a new theatre at the Theatre Royal Park as it had become. We stopped all of the waste, Mr Speaker. We started to recalibrate what Gibraltar spends hard earned taxpayers' money on.

360 So when hon. Members opposite talk about the public finances that we inherited not needing curing, and I saw that we got that, Mr Speaker, from the Hon. Sir Peter Caruana who is defending his record, from the Hon. the now Leader of the Opposition who is trying to make a go of it, and from the hon. putative other Leader of the Opposition, Mr Bossino, who is just positioning himself to say that he also defended the glory of the GSD, when the time for the next Leadership election comes, when they say that there was nothing to cure, they know now, Mr Speaker, that what they are saying was not accurate.

365 They must have known it before if they had given it a cursory look in the Book. They must have known it before if they read between the lines of what the Hon. the then Leader of the Opposition said in reply to my Ministerial Statement. But now Mr Speaker, even they will be able to understand, see and appreciate exactly what the position was, demonstrated in black upon white, in the two memoranda of the Financial Secretary that we will be publishing today.

They will see that there was a serious public debt problem – a serious problem, where the Government elected found itself with very little cash in hand to continue the day-to-day business of Government, let alone fund many of the ongoing capital projects.

370 They will see, if they want to see, Mr Speaker – the blind sometimes do not want to see – that there was a £100 million spending in Government-owned companies which the companies did not have the ability to repay to the Government: an uncontrolled level of capital expenditure incurred by the previous Administration in the year leading up to the General Election. Look they know it, Mr Speaker, because I told them last year that they had managed to spend more – the figure may be right in the last two years before the General Election – than they had spent in the previous 13 on capital projects. That smells like desperation – desperation to hang on.

375 But Mr Speaker, the important thing to tell the general public, apart from the fact that the case is now put beyond doubt in the documentation issued, is that the matter has been dealt with. The matter has been dealt with to such an extent that they can have *absolute confidence* in the *excellent* state now, of Gibraltar's public finances and that they are only getting better.

380 Usable cash reserves are restored. We now have – as I told the House earlier – £85 million. Both gross and public debts are on the way down. Hon. Members say that the gross debt is not the measure that is relevant, well we say it is in part relevant, and it is down by 27.5%. But if net debt is the relevant measure, net debt will be down by 10% on the numbers given to them in this Estimate Book by the end of this financial year.

385 Public finances are now, 18 months later, well enough to be able for us to embark full steam ahead with the implementation of our manifesto commitments, and to target spending where we said we would target it for the benefit of our community. And we have achieved a record budget surplus, in spite of the increases in recurrent expenditure, because of course there has been increases in the recurrent expenditure in the public service – they did not employ people to fill vacancies for years. When you get people to fill the vacancies in the Civil Service, of course your payroll goes up, but the alternative is for them to be honest and say, ‘Look, we are not going to fill the vacancies.’

390 We have increased spending on health, on education, 47 more teachers. The hon. Gentleman likes to get up and say recurrent expenditure is up in the public sector, but what he does not like to do is to stand up in this House with the courage of his convictions, if he has got them, and say, ‘And therefore, because we do not agree with recurrent expenditure being up in the public sector, we will once again get rid of those 47 new teachers’, that Gilbert Licudi was true to his word and employed as permanent and pensionable, as soon as we were elected, under the new public sector arrangements.

395 Because of course they want to hunt with the hares and run with the hounds. They want to say to the Chamber of Commerce, ‘We are your angels of vigilance on the increase in recurrent public spending’, and they want to say to the people who are getting the jobs, ‘We support you getting the jobs’, even though Sir Peter did not open any vacancies in the Civil Service for the past four, five or eight years. ‘We do not want to be going through the Public Services Commission when it is so much easier to do things *a dedo*’, as I will demonstrate later, when I am dealing with the foolish remarks about cronyism that opened at that flank by Mr Figueras.

400 But recurrent expenditure, Mr Speaker, is restored to affordable levels and is in line with our manifesto commitments to keep recurrent expenditure growth below the growth in the economy and limited to an increase of 40% in our first term of office. Hon. Members can see that the growth of departmental expenditure for 2013-14 is expected to be about 5% over the previous year’s figures, which is significantly less than the growth in the economy. So I do not know why it is that they feel that they can go around talking about things being unaffordable.

405 I know they do not like to listen and they would rather read messages from their sycophants that say, ‘Don’t worry, don’t worry, you’re still alive, you’ll find something to say, you’ll be able to talk your way out of it!’ But if they bothered to listen, they might not make the same mistake again. It may be worth them listening, it may be worth them trying to come to terms with the fact that they have been outed, that the truth is not just out there, it is out here and available to all our citizens now, for them to see; that this proves the serious problem that Gibraltar had and it proves in these estimates how we have cured it; and, of course, it proves that they cannot be trusted.

410 This, Mr Speaker, is a political *slam dunk* of evidence that demonstrates that the only credible version of the state of Gibraltar’s public finances, at the time of the election, was the one that we were telling before the election, from our analysis, and have been telling since. The *facts* have betrayed the deceit in their arguments outside of this House.

415 The numbers, Mr Speaker, in the Estimates Book demonstrate that their words are totally and entirely unreliable and the public must know now that they can never again be trusted and their candidate for this by election will want to think again about whether she defends the indefensible record of the GSD or goes back to independent thought.

420 So we have saved now, Mr Speaker, in 18 months, a huge amount of money by not continuing with the projects that hon. Members were embarked upon. We have continued spending on some capital projects and of course the recurrent expenditure, although the Hon. the Leader of the Opposition sometimes has difficulty understanding the difference between the two; but there has been no spending on vanity projects, Mr Speaker. We have spent wisely in 18 months and we have *saved* wisely in 18 months and that is what has delivered these excellent results. There is no magic to it.

425 I know that they cannot quite work out how we are going to afford our manifesto, but look, it is pretty simple and I hope that today, by having told them what I have told them, they will start to be able to realise that continuing to argue that we cannot afford our manifesto and we are going to let a lot of people down may be an easy way of getting round a Question Time that is looming, or an argument that is looming, but it may be an argument that comes back to bite them in their political posteriors at the time of the next General Election, if we have delivered and if we have afforded.

430 So it is a high stakes game that they are playing. I can tell him, and I can tell them all, that we know how we are going to deliver, we know when we are going to deliver and we are going to know exactly where the money is coming from.

So they may want – although I am loathe to give them advice, it is not my job to do so – to recalibrate their arguments like we had to recalibrate spending, because they may find themselves in a very difficult position at the time of the next General Election. The Leader of the Opposition may find himself in a very difficult position at the time of the next General Election. In fact, the Leader of the Opposition may find himself in a very difficult position the day after the By-election, but never mind that!

But anyway, Mr Speaker, he said himself, through the course of his early intervention, that nothing I said was going to change what he thought of the numbers and what he was going to say to the general public, so I guess he is probably not listening to this. Because if it was hard to listen to me give a speech explaining what a brilliant Budget Gibraltar was going to benefit from, it must be even harder to hear me de-construct and demonstrate that the whole basis of the arguments that they have put to date are really no longer sustainable.

I recognise, Mr Speaker, that – and I have some sympathy with the Leader of the Opposition, because answering the debate on an Appropriation Bill in a Second Reading is the hardest job in parliamentary politics, not just in this Parliament but in all parliaments. Everybody has more time to prepare. The Leader of the Opposition needs to get up and respond. He needs to respond almost on the hoof, in a moment, he needs to assimilate the arguments put by the Leader of the House and reply.

The Standing Orders say that we cannot read speeches, but Mr Speaker is very liberal in this debate in particular, to allow Members to read speeches of course, and it is normal, even for Leaders of the Opposition, to turn up with some prepared arguments. That is why Leaders of the Opposition and Members opposite are given, on a confidential basis, the schedule to the Bill to allow them to prepare.

But there are some things that are in the gift of the Chief Minister to say ‘only in this House on the day of the Bill’ and there has to be a reaction to that. Therefore, a Leader of the Opposition cannot rely entirely on his prepared remarks. He has to really show that spark in answering the recalibration of taxation and import duties and of benefits that the Chief Minister does, here, on the day of the debate. But he did none of that, Mr Speaker. He gave us his prepared text, relatively flat.

I do not think Mr Figueras said anything worth people listening to, but his speech was anything but flat – it was so riddled with factual inconsistencies, which I will go through one by one, that at least it created a stir.

The Hon. the Leader of the Opposition’s speech was probably as flat as the coke one drinks when one has got a tummy problem, and one is aged three! At least you would have thought that in his maiden speech as Leader of the Opposition, he would have gone for some big punch. There was not even that. Just this ‘Big Lie’ election thing.

Well look, Mr Speaker, he was not intending to listen to reason, he was not going to deal with anything we said, he was not going to say anything about the fact that the numbers are exactly as we predicted in our manifesto they would be, that the tax cuts were as we predicted they would be. He was not going to say anything about us having reduced the debt, or about having reduced net debt. He could at least say, ‘Although I do not think they are relevant, I recognise that debt is down 27.5% in gross and is going to be down 10% in net.’ He could say *something*. He could say, ‘Look, I recognise you have given £35 million to Community Care, that is not a bad thing.’ He did not even say that, Mr Speaker.

He said, Mr Speaker, before the election, that our manifesto was the longest suicide note in history. Well look, let me just pause there on the phrase. The hon. Member is not known for his original thought, but for a man who purports to be of the left, to enjoy quoting Margaret Thatcher’s remarks of Michael Foot’s Labour manifesto of 1982 is a bit rich! But he takes it even further than that because the new mantra of this culture of entitlement, where ‘this is for working families, for people who wake up in the morning.’ I could not believe when I heard him the other day on GBC saying, ‘This is for people who wake up in the morning and go to work, while others, curtains are still down.’ Because the absence of original thought first manifested in repeating Thatcher, which, like Sir Peter used to do when he was Leader of the Opposition and he used to copy almost word for word, Sir Paddy Ashdown, is now manifesting itself again in the Hon. the Leader of the Opposition, quoting George Osborne! *Every single word* that he used in that particular interview with GBC was word for word George Osborne on Radio 4 a month before!

Let us assume, Mr Speaker, that it just swept into his subconscious as he was walking past a radio that somebody else was listening to; but if he still wants to pretend to be a man of the left, can he at some stage please do me the pleasure of quoting someone from the left? Even if it is no original thought – actually it is probably better if there is not any original thought... The last time the hon. Gentleman came up with any original thoughts, he was going to introduce capital gains tax to Gibraltar and abolish Category 2 status. So better no original thought and keep quoting what he reads in the newspapers, Mr Speaker!

But anyway, apart from what he called our ‘suicide note’, which turned out to be the successful manifesto which our discerning electorate decided should be the one that forms Government, the best manifesto ever presented to the people of Gibraltar, the suicide note has now become ‘dangerous and undeliverable’. That is why that tactic, I am telling him, is going to be short term.

505 What is he going to do, Mr Speaker, in the next General Election? Will he at least commit himself, if he is still Leader of the GSD then, to say on the Leaders' Debate, 'Fabian, I want to start this debate by acknowledging that you have completed what I described as the most ambitious manifesto in the history of Gibraltar, completely; that you have delivered what I said could not be delivered; that you have afforded what I said was not affordable and that your credibility in this debate is much higher than mine. Let us now get on to the issues going forward.'

510 Well, 'going forward' – he likes to say, *pa'lante*. He does not like to say, 'going forward'. Okay, let us look at the arguments going *pa'lante*. But will he at least accept all of that?

515 He has called the increase in the public sector, in the recurrent cost to the public sector, ruinous. Fair enough, if that is his position, it is his position. I think it was his Deputy's position – oh, I am sorry, did I say Deputy, when I was referring to the Hon. Mr Bossino? I should not have had. I understand he still has no Deputy, although he was Deputy. There is still no Deputy. He has not appointed a Deputy Leader. I know that the competition is fierce – competition is good for the soul – and that it is a bit, at the moment, the law of the jungle on the other side.

520 So his 'not Deputy' – his first putative Deputy or his first putative alternative leader, Mr Bossino, agrees with him in expressing this concern over the increased cost of public sector employment. Okay, fair enough, it is fine that he should say that and it shows original thought; but let us work through that original thought. Let us take it to its natural consequence.

525 Let me say for them, because they obviously do not have the courage to say it, let me say to every member of the GGCA and Unite: this Government remains committed to pay reviews in Gibraltar which reflect in their salaries the performance, always positive, of the Gibraltar economy. This Government remains committed to the Public Service Review and we remain committed to the manning levels of the Civil Service and to providing a more efficient service to the public and to the business community.

530 But let us extrapolate from the Member's arguments what they believe: 'dear members of Unite and GGCA – and of course because we have the issue of the 47 teachers, dear members of the Teachers' Union as well – Mr Feetham, the current Leader of the Opposition' – apparently Mr Caruana used to hate being called the 'current Chief Minister', but we all have to accept that we are current – 'the current Leader of the Opposition, Mr Feetham, and Mr Bossino, the putative Leader of the Opposition, both think that we are already employing too many people and paying you all far too much this year, because the recurring cost of the public sector has gone up.' At least members of the public sector in Gibraltar will know what their position is in respect of employment and remuneration.

535 In terms of, if I may, just as an aside, say, where is the GSD going? The increase in the recurrent cost of the public sector, of course, includes the 2.9% increase in salary paid to public servants. They are obviously – by saying that the recurrent expenditure has gone up – necessarily against that. But I did not agree it; Sir Peter agreed it, in the three year review which *he* left me. I was fine with it. I was fine with the fact that he left me those pay increases that our hard working public servants deserved. I just was not fine with the fact that he did not leave me any money to pay for it! (*Laughter*)

540 But they are now saying that the cost of the public sector is going up too much. Well look, it is going up 5%: 2.9% of that goes to salaries and it is an increase that they agreed, so where is the GSD? Is the GSD where it was, agreeing these increases or is that another one of the repositioning moves that Mr Feetham is doing of the party? I will come to some of the others later.

545 Well, what they should have done on recurring expenditure is recognise that overall recurrent expenditure has been controlled like never before. We have brought it in on budget.

550 But he then went on to talk about the increased cost of legal advice from the private sector. Well, Mr Speaker, I am not going to refer him to which firms receive what amounts. But let me tell him, let me tell them all, that they need to understand that a culture of compliance, which is a badge of honour for Gibraltar, and enables us to achieve the things that we have achieved which eluded them, like the Code Group and the ECOFIN approval, costs money.

555 We have recruited more people to the EUID and to the LSU: of course recurrent expenditure is up. But we also need to send work out to experts because we cannot recruit an expert in everything. And when we do, we choose the right expert – we go to whatever firm is necessary, regardless of who may be in politics or not in that firm. That is irrelevant to us. A man's expertise is a man's expertise whatever his politics may be. But we spent it for the good of Gibraltar plc and we can show the results. And for every piece of work that we brief out, there is a piece of work that comes in.

560 What we have not done, Mr Speaker, is pay a supporter of ours, for very little demonstrable work, for any benefit whatsoever to Gibraltar plc, a huge amount of money in order just to simply keep them industriously writing articles in a rag that we fund to bring down the reputation of Members opposite – as was the case of course when a certain Mr Benzaquen, a member of their Executive Committee, was paid approximately £¼ million in one year, without £¼ million of work to show for it. But lots of articles scribbled in a rag from No. 6 denigrating everything that the then Opposition used to do.

A quarter of a million pounds in legal fees: that is the sort of expenditure that we will not engage in. (Interjection) A quarter of a million pounds down the drain, says the Minister for Justice who has responsibilities for these matters. He should know.

Look, Mr Speaker, without £¼ million down the drain, we have got better usable cash reserves, less debt in gross and net terms *and* we have got something to show for the £1.4 million we spend on private sector legal fees, and we have got something to show for our investment in the EUID – every Directive bang up to date and ECOFIN and Code Group approval.

And then, Mr Speaker, one of the things that he talks about, the Hon. the Leader of the Opposition, is that we are not going to reach the £1.65 billion target. He is right, Mr Speaker, we do not think we are going to reach the £1.65 billion target by the time of the next election. We think we are going to exceed it, we are going to go beyond the £1.65 billion target.

But if we just meet it, again in the same way as he talks about the commitments not being deliverable, what is he going to say if he is still the Leader of the Opposition in the Budget debate before the General Election, if the numbers are reflected in the Book. It is going to be woefully embarrassing for him if it does reflect the £1.65 billion GDP.

I think the problem is that they just cannot come to terms with it. They cannot come to terms with the fact that the public finances were in such a parlous state. They cannot come to terms with the fact that we are on target. They had to deliver the speeches that they had written probably over the weekend before they heard what I had to say, and of course having spent three active weeks making these arguments in a By-election campaign, Monday was the proverbial *jarro de agua fría*, a jug of cold water. I could almost hear, amplified, what it was that they were whispering to each other: ‘*¡Picardo se ha cargado la campaña!*’ ‘Picardo has ruined our campaign!’ ‘*¡Que no se entere nadie!*’ ‘Just give the speeches that we were going to give, at least they will be reported in the papers and some people might miss what he said about this being the best, most brilliant Budget in the history of Gibraltar’ – because otherwise, what would they do?

And he does not tire of saying to me, ‘Where were the European investors that you said were coming?’ and I do not tire of saying to him, they are very advanced in their investment and when the investments are finalised, they will make an announcement. And he says it so cynically, as if to suggest that they were not there when I made the statements. Mr Speaker, I am going to tell him, as I have told him before, all he does is ensure that I take *huge* pleasure, perhaps more than one should be entitled to, when I do make the announcement that I know is coming about these investors, and of course they have nothing to do with the Sunborn – nothing to do with the Sunborn.

And then, Mr Speaker, they move on to this business of the Savings Bank in their ‘Think’ leaflet. Talk about something coming back to bite you in the political posterior! That ‘Think’ leaflet may come back to bite them very hard indeed.

Was it wise to talk about a savings bank, given the parlous state of international banking, the expanding of its services into a national bank? Well look, it is as wise now as it was when we all put it in all our manifestos, at a time when the banking crisis was at its *highest*, or is it that he does not know that in December 2011, things economically were far worse than they are now?

But if what he is trying to do... because even when he is attempting to be politically clever, the hon. Gentleman is so *transparent* that he is like a white sheet. If what he is trying to do is suggest that somehow the Government is responsible for the Barclays Review, the Government is the problem and that is why Barclays is leaving, if that is the game that he is trying to play – which nobody would for one moment believe to be true, who knew *anything* about the issue – does he not know, Mr Speaker, because everybody else does, that one of the biggest issues that Barclays have had – one just needs to be working in financial services to know what the issue is – one of the biggest issues is, the *huge* impairment on loans granted by Barclays on *their* affordable housing schemes which the previous Chief Minister said he was going to make good in a payment, and then on 7th December *resiled* from?

They know that. But the hon. the back-bencher can tell them that, and I am almost sure that he does not want the GSD to disappear, so he must be telling them all this. And in the same way that they do not listen to me, they must not be listening to him, because otherwise they would not be opening themselves up on these issues.

Talking about the Savings Bank as he did, the ones who removed the solvency ratio requirement in the Savings Bank were them. Did he not hear that part of my speech, when I told him that we were keeping in the Savings Bank the surpluses of the Savings Bank? Would it not require a piece of legislation to tell us to do it? We *decided* to do it and we have done it for the second year running – without it being a legal requirement.

In any event, when he talks about the amendment that I made to the Savings Bank Act, what he did not say in the course of his remarks about it – probably the flattest part of what he said, I must tell him, as a sort of critique if he is interested – is that everything that he said about investments ignored the fact that the person who is making the investment decisions is exactly the same person who was making them

625 before, the Financial Secretary, with the same appetite for risk as he had the day before the election! Did he not think that was worthy of a mention?

All he wanted to do, Mr Speaker, was raise spectres that are not there. Try and make people think that there is an issue where this is not one. I think that has a name. It has a first name and a second name: it is called scare mongering.

630 So anyway, Mr Speaker, I think that that maiden speech which was more of a damp squib than it was a Leader of Opposition's reaction to a Budget speech. It is dealt with now in everything I have said, but I do think that he does have a problem and there are... I hear already, quite quickly within 48 hours, that there are members of his Executive Committee who are very concerned indeed and regretting their decision in that now infamous in the annals of Gibraltar political history, that infamous secret ballot that delivered him the Chair of Leader of the Party.

635 In fact, Mr Speaker, I think it is not lost on many of us that a lot of things have changed in the GSD since he took over. He has already said that the decision of the hon. the backbencher and the handling by the hon. backbencher of the Theatre Royal issue was not appropriate. He has already distanced the Party from that. 'Take it on the chin', in an interview in GBC '*y que no me lo hechen mas en cara*' 'and therefore nobody should have the opportunity of rubbing this in my face again.' So already he has decried him once on that.

We have seen of course that his position on the fishing dispute in 2003 was different to what Sir Peter's was in 1999, so he is already trying to find an angle on that.

645 After today, I daresay that he will be even distancing himself from all of Sir Peter's remarks on public finances. It has not been five months, Mr Speaker, and the Hon. Leader of the Opposition has denied Sir Peter more times than Peter denied Christ! What a palaver!

It is also not lost on anyone I think, Mr Speaker, that the remarks that we have made, in recognising Her Majesty's recognition of the hon. the bankbencher's service, have almost been more fulsome from this side of the House than they have been from his side of the House. I do not know whether that is an attempt to try and get at some of my supporters.

650 Perhaps as part of that wider plan, perhaps he is not so transparent after all. Perhaps this is all about something buried even deeper, and doing completely away with the political life of the hon. the backbencher – not just getting rid of him as Chief Minister. Maybe we did not understand him when he said those words to us. Maybe it is about getting rid of him from Gibraltar's political life completely. Maybe, Mr Speaker, it is going to be a bit like the issue with Lenin and Trotsky. Perhaps when we look now at pictures of the GSD taken last year, Sir Peter may not be there, he may have been cut out, as was done in the early part of the last century by Lenin to his ex-friend Trotsky.

655 Even things like the de-selection of candidates at the time of the General Election in the GSD, the de-selection of the Hon. and popular Mr Vinet had his fingerprints all over it. The way that they are starting to shift party policy – *even*, Mr Speaker, the permission granted for Mr Netto to make the statement that he made on the Prayer. I do not think I have ever seen the hon. the backbencher as red in the face as when he turned up here and found out that the Hon. the new Leader of the Opposition had allowed that to happen.

665 I have seen him quite red, because I have said things that have upset him, and I must be seen by people today as a complete and utter pussycat compared to what replies were like in the 16 years that he was here, and I trust that I am not red. I did take the blood pressure tablet this morning, but I have never seen Sir Peter so red as when he found out what had been allowed to go on here by the new Leader of the GSD.

Or the proactive change in half of the party to this pro-equality approach on civil partnerships with the hon. Lady urging us on the civil partnerships legislation, whilst Mr Bossino tries to pull the reins.

670 Well, look, Mr Speaker, I think that that is a very good thing. I must tell him I think it is a very good thing, because it demonstrates that our winning the General Election did not just trounce Mr Caruana; it trounced the arguments that the GSD were putting for so many years that were wrong.

675 So I salute the fact that he is repositioning his party and accepting all the things that were wrong. But then of course, the reality will be that the GSD is no more. That GSD which stood for something is no more.

680 I would like to say it is a lurch to the left, because it would be nice that everybody here were of the left, but I think it is exactly what I said last year it would be. I told him that I thought that this is what he would do and he has not let me down. It is a lurch to the left on equality, but a lurch to the right on public sector spending. Exactly what I thought it would be – left, right, left, right, exactly when it is in his interests.

685 Perhaps he is as transparent as I thought he was, but no big secret though. The hon. Gentleman has made no secret of it, because he told us on GBC, in an interview, when they held their first ever annual general meeting – I do not think you can call it 'annual general meeting' unless you hold one every single year – that the GSD is such a broad church that it includes people from the right, people from the centre, and people from the left.

Well, Mr Speaker, look that sounds like a party, but it does not sound like a political party. It sounds like a party I would quite like to go to, to exchange opinions with different people and have a drink; but if it is a political party, it is a party of opportunists, it is not a party of ideology, because you cannot have people of the right, the centre and the left describe themselves as a political party with an ideology, other than an ideology to stand for whatever may be best at a particular time in their view and in an electoral sense.

So when you analyse it in that way, Mr Speaker, I suppose that this new mantra of '*Pa'lante*' which is the hon. Gentleman's new slogan – I am surprised that he has decided to use a Spanish word as a slogan for his political party in Gibraltar – is more like '*un pasito pa'lante, dos pasitos pa'trá.*' I almost expect to see him not singing Tom Jones but dancing Maria: *un pasito pa'lante y dos pasitos pa'trá.* And I have got to wonder, why is it that the hon. the backbencher has inflicted this on his party?

You see the hon. the backbencher was very honest in his political views, very honest. Some years ago he told Mr Bruzon, during the course of *this* debate, at *this* part of the debate that he – Mr Bruzon, may he rest in peace – was too good for politics, as what was needed in politics to succeed was *mala leche* – he used those Spanish words, bad milk. I guess 'bad milk' is a bit too literal so 'guile and bad ideas', I suppose.

So when we look at hon. Members opposite today and we hear what they have said in the context of this Second Reading, we see how they have opened themselves up in this campaign to have themselves completely shot down by the evidence that I gave at the beginning of this reply.

Given what the others have said, and the repositioning that they have done, I can see exactly where the GSD is today. The GSD today is all of the *mala leche* of the GSD before, and none of the brains. That is the new GSD: all of the *mala leche* and none of the brains, very well repositioned.

Let me move from there, Mr Speaker, to the brains in the outfit and to the much more lucid, if equally disagreeable intervention of the hon. the backbencher, who told us that he would not be here during the course of the debate because he has other matters on, so he will excuse me that I continue to make my reply to him. I am sure that he will have an opportunity to read it, but I of course accept he has other responsibilities now. Having been here for 20-odd debates in the past, I absolutely understand that he is not here today.

His contribution was disagreeable, because of the things he said about public finances, which I have now dealt with. But it was to an extent much more convivial than the others, because although of course he has said that a lot of work had been done on repositioning – they were there for 16 years: we cannot pretend to have done the Income Tax Act; it was drafted when they were here, we supported a lot of that work from Opposition – he was wrong to say that I had criticised him for notifying the new Tax Act to the Code Group. I had not criticised him for that. What I *did* criticise him for was for the opposite: for *not* notifying the Income Tax Act for State Aid clearance – something which as hon. Members know is now something we are having to deal with.

And he said, and he was right, Mr Speaker, that the culture of compliance that we have ushered in enables us not just to seek and demand fair treatment from the international community; it enables us to seek and demand fair treatment from the United Kingdom on matters where the United Kingdom can assist us in taking us off black lists and other such issues.

I think it was right that he made the intervention that he made, in the tone that he made it, because in doing so, he disclosed some affinity with the Government's position, contrary to some of the things we have heard from other Members, as he did during the course of the parliamentary reform debate, where it will not have been lost on anyone, much less Members on the opposite benches, that there were parts of the debate on parliamentary reform, where the Hon. Sir Peter Caruana agreed with the Government and not with the Opposition.

Mr Speaker, this was true of his intervention also on the Sunborn Hotel, where he said, 'Look, I understand the thinking there and it may be that hon. Members are right, but I reserve judgement as to the location and other issues. If this has put other hotels off, that is a bad thing', and I am quite happy to tell him, it has *not* put other hotels off. The people they were negotiating with, we are still negotiating with, but there were no commitments tied up before the election, as has been pretended.

Even on the Savings Bank, although we disagree on the detail, he was confirming his view that there should be some Government involvement in a Gibraltar Bank. He at least is not decrying that part of the manifesto that is not yet 18 months old.

But of course, Mr Speaker, the one thing that is clear is that to an extent, I am helping the Hon. the Leader of the Opposition do the job that he wants to do: the publication of these memoranda of 8th December and the doomsday memorandum of 13th December is the final nail in the political coffin of Sir Peter Caruana, because it demonstrates the state of public finances on the last day that he was Chief Minister beyond peradventure.

I want to thank him, Mr speaker, because during the course of the parliamentary reform debate, he was honest to a fault in recognising the work that we had done in 18 months, led by the Deputy Chief

Minister principally, and by me as Leader of the House of course, in calling the meetings, in order to usher in a new parliamentary era for our country.

750 He said, as I sometimes wish they would, because it would make the political argument easier, ‘We could have done it at any time in the past 16 years and we did not, because it obviously was not as much of a priority for us as it has been for them. They have demonstrated that they have done what they set out to do immediately that they were elected and I want to recognise that.’ Then he went on to agree with some things that we said and disagree with others, but that is an honest approach to take in a debate.

755 Mr Speaker, when they, who are what is left of the GSD on the front bench – this group with all of the *mala leche* and none of the brains of the previous GSD – accuse us of not being transparent or democratic in our approach. They really do appeal only to their blindest sycophants because we call 10 meetings of this Parliament a year. This year we are going to call nine because by agreement we did not call one in order to allow the refurbishment. Even if we did not answer any questions – and we answer them all, even though they might not like the answer, we answer every single question – even if we did not answer any questions, they have 10 opportunities a year to embarrass us, because we do not answer a question, and therefore of course we do answer questions and we give information.

760 Unless they think that we are *completely stupid*, if you do not want to answer questions, you do not call a meeting of the House. There is a constitutional obligation to call three in a year when there is not an election, and I call 10. They have got to understand, for politics to mean something to people, there has to be a basis in reality. The Hon. the Deputy Chief Minister and I have been at this game for 21 years. The Hon. Mr Bossano has been at this game for 40 years – 41 coming up at the end of July. *You cannot make it up!* What you say has to be real and relevant, because if you make it up, people know that you make it up. People are wiser than politicians, when it comes to working out who is telling the truth and who is not.

770 That is why with these documents, the arguments are going to be settled for them on public finance. That is why on democracy and on transparency, when people see that we come here every month, and we answer every question, they will have no truck with arguments that we do not.

775 A democracy is not just about Parliament; it is about other instruments, and the Development and Planning Commission being held in the open now demonstrates that commitment to transparency and accountability. These numbers, set out as clearly as they are, demonstrate a commitment to transparency and accountability, but they need to analyse them. They cannot just ignore them. I think the hon. Gentleman and I will at least agree on one thing, there was a candidate last night at the Chamber Dinner who said that there is no transparency in Gibraltar and politicians just spend what they like. We can argue about many things, but he and I will agree no doubt that politicians in Gibraltar need to account for every penny that they spend – and we do that.

780 And at the DPC, every permission that is granted is now open to scrutiny; they just need to turn up. So it is clear to any objective observer – not that there are any on the other side – that there is more openness and transparency than there has ever been before. I want therefore to thank the hon. the backbencher for having made the point himself during his speech on the parliamentary reform motion.

785 I think what worried me the most, Mr Speaker, about the intervention of Sir Peter Caruana, what really concerned me, was something that started during the course of their annual general meeting. He said during the course of their AGM which was shown on television – this meeting that cannot be described as ‘annual’, because it does not happen every year... I think for them the ‘A’ means ‘a’ general meeting because they hold one whenever they like, not necessarily annually! That is what their ‘AGM’ stands for.

790 He said during the course of that meeting that he thought that foreign policy being conducted from No. 6 Convent Place was almost his foreign policy. He thought it was not Picardo doing it, every time he picked up the *Chronicle*; it is like Caruana is doing it. Well, I know a kiss of death when I see one! So I am not going to quickly clasp my lips to his, to avoid that, because my foreign policy is very different to the foreign policy that he pursued.

795 But during the parliamentary reform debate, he said that he agreed with us. At the AGM, he said that the foreign policy was very similar to his, although the Leader of the Opposition suggests that it is not.

800 Then, on the Monday morning, the last thing I needed to hear was the Hon. Sir Peter Caruana saying ‘and his Budget speeches sound like mine too!’ I think he feels so let down by the new Leader of the GSD that he wishes it was me – but I really know a kiss of death when I see it coming. I think it is just an attempt to denigrate me in front of my own supporters.

Let me turn to somebody else who, given the flux that there is on the other side, might yet become leader of the new GSD, which I have described a moment ago. Let me turn to Mr Netto’s contribution.

805 I saw the text being passed of that contribution back and forth between him and Mr Feetham, with *huge* amounts of red ink on it from Mr Feetham’s red hyperactive pen. Well, I do not know whether this particular remark was Mr Netto’s own work or Mr Feetham’s work, but Mr Netto said that a sound environment is as important as a sound economy. It makes sense that John Cortes would agree with that,

and every Member on this side would agree with that, Mr Speaker, because *every* Minister in this Government is a Minister for the environment.

810 How can it be said by anybody on that side of the House? Do they not realise that they went to an election defending a diesel powered station as the only solution to our power generation needs for the next 30 years.

815 Well, I was delighted to hear John Cortes remind us that in the new Gibraltar, the Gibraltar of the new dawn, the environment really matters and where there is action on renewable energy, despite their inaction in the past 16 years, it will not be because the hon. Gentleman asked the question. He said, 'Well, I now hope that given I have asked the question, there is going to be some movement on renewable energy' – excuse me, I cannot quite do the monotone.

820 There *will* be action on renewable energy, because there has been action from the day we were elected, absent the questions. And the environmental filter that they now refer to, they refer to it as if it were a normal thing. Thank goodness, Mr Speaker, because that demonstrates the change that we have ushered in, that everything should go through an environmental filter and that filter is the 10 Ministers, not one.

825 That filter is working, and there is no question of any Minister putting John Cortes under *pressure* to accept anything, and surrender an environmental point of concern. We have got a Minister for the Environment, who was 'Mr Environment' before the election, and we are all Ministers with responsibility to care for our environment.

830 We do not put pressure on each other. That is not how this Government works. It may be how they are used to working in Government or even in Opposition, but look, it really betrays a very interesting point of how it is that Mr Netto appears to have got used to being treated by his colleagues. I suppose there is that bad milk rearing its head again.

The thought of putting John Cortes under pressure to surrender an environmental point – I think I would find him chained to the Cabinet table, rather than the nearest tree!

835 But Mr Netto need not worry: we are not going to put him under pressure to do anything – although he may find that there is pressure coming from another angle that he might not expect it from.

835 The very unhelpful thing that he said, Mr Speaker, was to say that it was disgraceful that we have not yet – I paraphrase him – we have not yet published some reports or that we took so long to publish the Fishing Report, as something that Mrs Hammond herself says, in the course of her intervention, 'It is disgraceful it has taken so long, maybe it is being formatted' – ha, ha, cynical remark, perhaps it is being formatted, that is why it is taking so long!

840 Well, look, Mr Speaker, it ill behoves them to chastise us because we are working on reports and we have not yet published them, because they should know – or perhaps given that their collective memory has disappeared, when most of the members who were in Government have gone and the hon. the backbencher has disengaged – it ill behoves them to chastise us for not publishing reports within a few days of receiving them, when they *never published reports*. They kept them secret.

845 The King Report into GBC was published by this Government within weeks of being elected. The report into Customs has been given to members of Customs at last, and it is ready for publication - reports that they used taxpayers' money to procure which they never published.

So how can we now be attacked because we take a few months to publish something? This is nonsensical.

850 This is the politics of the world started on 9th December 2011. I am prepared to accept that politics from them, if they accept that the 9th December was a new dawn, where Gibraltar emerged from the darkness of 16 years of non-publication of reports, to a day in which reports are published as soon as possible. But they really do open the flank for me to remind them that they say these things about us not publishing the report within 10 minutes and the King Report took five years to be published. It was published when I was elected.

855 Then of course the incredible interplay between the remarks from Mr Figueras and the remarks from Mr Netto: Figueras saying, 'Go back to the old style DPC, do not subject yourself to it. Just rule, govern, decide, do. And the whole campaign of the Sunborn was a done deal.' Well, actually, if the Hon. Mr Figueras were the Minister for Planning, everything would be a done deal, wouldn't it? And it would not be done in the open.

860 So fascinating and right, by the way – if I may say to Mr Netto, absolutely right – that he should come here and make remarks about what he heard in the DPC. That is why the DPC is open, so that he can turn up there, he can listen he can bring here to the heart of our community's democracy anything that he has heard there, because we opened that up and we come here once a month to hear what he has to say. The remarks he made were nonsensical, but he is entitled to make them.

865 And on the macaques, Mr Speaker: look Mr Netto does not need to even smell the coffee, Mr Speaker. Mr Netto just needs to wake up! (*Laughter*) Who is it that he thinks he is carrying a brief for, when he insists that we should be killing monkeys in Gibraltar? Who? Does he not realise that they are one chromosome away from being human beings? In some instances, perhaps not even one chromosome,

870 because I have seen some very clever monkeys. Does he not realise, Mr Speaker, that the apes are our mickey mice, our biggest draw? Nobody comes to Gibraltar to see him, or me for that matter. They come to see the apes and they come to see the Rock and he is saying that the Management Plan, as far as he is concerned, should still be to put a bullet between their eyes. Come on!

875 One does tire, Mr Speaker, of the debate on environmental issues in this House, one does tire, because committed though we are to the subject and without the need for the hon. Members to raise any issue, we are committed unto it entirely.

880 Now, it started off Cortes *versus* Figueras. It then became in terms of Shadow Portfolios, Cortes *versus* Netto. Mr Speaker, pro *versus* amateur, pro *versus* amateur: it just does not take the debate any further. It is a one-sided debate, where only Dr Cortes knows what he is talking about.

885 And that is why when the hon. the backbencher, when he was Leader of the House and Chief Minister, thought he was insulting the Hon. Dr Cortes by calling him *el jardinero*, the gardener, in an attempt to somehow denigrate him in the eyes of the many before the General Election campaign, what he was doing actually was giving Dr Cortes the badge of honour of recognition by all our community, as the excellent botanist that he also is.

885 But in terms of the political history of Gibraltar, a subject which unfortunately I am going to have to come back to in a few minutes, when I start dealing with what I will charitably call the intervention by Mr Figueras, it is also important for Mr Netto to get his political history right.

890 The first Minister for the Environment in the history of Gibraltar was appointed by the GSLP in 1988. Yes or no? It is a fact, you cannot argue it. You cannot get up in this House and say the first Minister for the Environment was appointed by the GSD. It is not true, the hon. Gentleman is responsible for his remarks in this place, and in the *Chronicle* and in the *Panorama* and on GBC. If he wants to have a genuine debate he should have it on the facts.

895 And then he says you do not give us the minutes of the Nature Conservancy Council – a Council which I never called meetings of, when I was Minister for the Environment. Well, the legal advice that we have I am happy to tell him is that we have no obligation to publish them.

900 ‘You do not monitor black carbon and radium’: actually we do. It is one of the many things that Dr Cortes was not able to talk about in the course of his Budget speech, because otherwise if he took us through the list of things that we have done which are positive for the environment since 8th December, we would still be listening to him! (*Laughter*) Measurement of black carbon is already taking place, and we are going to be among the first EU countries to monitor this pollutant – hats off, Dr Cortes and all your team.

905 Data on radium levels has already been collected, Mr Speaker, been analysed by the Environment Agency, with the Department of the Environment, and the studies and the results will be published shortly.

905 And of course, what Mr Netto did not like to listen to was there is now an Ape Management Plan, but he did not want to talk about that; he wanted to talk about culling, because there is obviously a small constituency about that supports culling, and he is trying his best to have that constituency on his side. I do not know, Mr Speaker, maybe it is the shooting club who have got nothing else that moves to shoot at.

910 I am going to move on now, Mr Speaker, to the intervention by the Hon. Mr Reyes who, if he will allow me, if I may so, was a little bit more constructive in his approach, and I want to recognise that.

915 I am happy to tell him that I am working very closely indeed with Unite, Mr Speaker, on the subject of the Housing Works Agency and the manning levels there, but I do think that his concern about the manning level has to be set in context. He knows, does he not, that it was the Government of which he was a Member that did an agreement of ‘two out, one in’, in the Housing Works Agency, because it was an agreement signed by his previous Leader? So his concern about reduction in manning levels has to be seen in that context.

920 I do not know whether he thinks the agreement was a good thing or a bad thing. He talked about the agreement and his tone in respect of the agreement seemed to be positive, but then he turned to the manning level and seemed to ignore this clause 42 I think it was, of the agreement.

920 Now it appears that he also agrees with our policy of moving the Housing Department out of the City Hall. Thank you for what appears to be tacit approval of that and support for it. It is happening, it is something that will happen. It is an untimed commitment in our manifesto, it will happen before the time of the next General Election.

925 Then he moved to talk about the co-ownership schemes and he gave us a remark in his speech, which in my view turned everything slightly more cynical. He talked about, ‘Oh, you have paid these consultancy fees and a brick has not been laid.’ And then he said, ‘Don’t make the mistakes that were made before in co-ownership.’ Well look, that is why you pay consultants before you lay a brick. But anyway, I would have thought that they know that, given how much they spent on consultants.

930 ‘Well done for eventually listening to the tenants of the housing estates and not adding the floor.’ Well, I am going to take those two points together. We did not eventually listen to the people in the housing estates; we listened to the DPC and we went to the housing... I personally went to every one of

the housing estates involved and spoke to the tenants. So we did not ‘eventually’ listen to them; we set out a consultation and *listened* to them.

935 But the cynical backhander I cannot allow him to get away with. He said ‘the construction problems in the co-ownership schemes under the GSLP’: this is the Party that does not want us to look back. It only wants us to look forward. I guess that is why it is *pa’lante*, as well, Mr Speaker, because they have such problems in what came *atrás*, that they only want us to look *pa’lante*. They only want us to look forward and not back.

940 And yet even in 2013, when dealing with co-ownership, hon. Members feel quite relaxed about going back to 1996, but they do not need to, Mr Speaker, because problems of co-ownership construction, they have been in everything that has been constructed – even Waterport Terraces, which admittedly has the least of the problems, but has problems; even in some parts of the Mid Harbour Estate, where there are considerable problems; and particularly in the OEM co-ownership estates.

945 So if the hon. Member wants to talk about problems in the construction of co-ownership estates, he does not need to go back to 1996. I am quite happy to tell him that for this Government to sort out the mess that they left behind is going to cost about £10 million.

950 And the difference, Mr Speaker, between the bill that we have and the bill for repairing Harbour Views is very simple. Perhaps he is going to rue the moment that he said this backhanded remark, because it is going to allow me to put in the public domain today that it is going to cost us £10 million to fix the co-ownership estates that they left behind; and we will not be able to sue a developer or a construction company to get the money back, as they did and we would have done, in respect of the Harbour Views ‘fiasco’, as they call it, where the money was paid back by the contractor and developer who had been responsible for the mistakes.

955 Because of the collapse of Haymills and OEM, there is no-one to sue. Because the work was finished by GJBS, which is the Government’s own company, which inherited the mess and did its best to complete the works and it is now doing its best to fix the problems. So their £10 million of cost of repair will have to come out of the pockets of the taxpayers of Gibraltar, *their* co-ownership fiasco!

960 Whilst what they thought was the easy play of referring back to Harbour Views, it is something that was paid for by the people who caused the problem.

I acknowledge that he encouraged us to get on with the refurbishment of the estates that they had completely forgotten. They did nothing about it 16 years, to such an extent that campaigning for the GSD at Moorish Castle was not a fun thing to be involved in. And yet now, they urge us to move quickly. Well look, I suppose that is part of the repositioning of the GSD: ‘say what you have to say, do not worry about the consequences. Picardo will slam us because this is completely ridiculous for us to be saying this, when we did nothing about it’ – but all the *mala leche* and none of the brains. Keep it up, boys and girls!

965 Now, let me turn to the intervention by the hon. Lady, Mr Speaker. I found it amusing, to say the least, that she said that a lot of what was happening in respect of the portfolios that she was shadowing was that there were a lot of photo opportunities and not enough work.

970 Mr Speaker, the hon. Lady ends her intervention by saying that certain people are petty, one thing and the other. That is how she ends, but she starts by saying, ‘Oh, the Ministers are taking more photographs than they are doing work.’ Anybody who knows any Minister on this side, anyone who bothers to look, knows how many hours all Ministers are working, each of them in charge of their portfolios. But the hon. Lady should know and if people do not tell her, look it is my obligation to tell her here.

975 She is known throughout the community now, as somebody who jumps into the shot as soon as somebody takes out a camera! I almost dare say, it is what the Leader of the Opposition has told her to do: ‘Isobel, make sure you are at everything and that you get into every shot’, and that is fine, Mr Speaker. She wants to show the community that she is at events, that is absolutely fine, but do not attack Ministers for being in photographs when they are doing the work that they are paid to do. She does it, Mr Speaker, with such dexterity. I am sure that she is in the photograph albums of more than one Gibraltar tourist who she has mistaken for a journalist, as they were taking a shot of some particular part of our geography that they particularly liked. You never know, she may have a fan club in Japan.

980 But this is the tenor of the remarks that she was making in the context of a serious debate on Estimates. I do not think I have ever been in a debate on the Appropriation Bill where less attention was paid to the appropriation. It was just ‘what can I say to embarrass the Government, what can I say that sounds good, what can I put in the newspapers tomorrow?’ The numbers were just completely ignored.

985 Then she goes on to say, it is remarkable that we have now got somebody at the GHA who is going to be CEO and who is permanent and pensionable, and that should not be the case. Everybody who has remarked to me about the choice of CEO for the Gibraltar Health Authority, a person who I do not know, has told me that they believe that this is an excellent choice made by the relevant board; but she is taking a technical point namely that he should not be a permanent and pensionable member of the establishment. This is completely unacceptable.

990

Again this is part of the loss of the collective brain of the GSD because whilst they were in Government, the CEO of the Care Agency or the Elderly Care Agency, whatever it was called then, was a P&P civil servant. How can she make the point and not seem nonsensical?

995 It is just as nonsensical and lacking in depth – and it has come back to this point about people opposite not knowing the political history of Gibraltar – as the point she made last year that at last... You were not here, Mr Speaker, it is important for you to know: last year she said, ‘*At last*, there are women on both sides of the House, for the first time in history.’ It is a simple factual point, Mr Speaker: Miss Marie Montegriffo was in the House on the Opposition benches at the same time as Mrs Del Agua. If you cannot get that right, Mr Speaker, I suppose you cannot be expected to do an in depth analysis of the numbers.

1000 I often say that Members’ mouths on the other side engage before their brains, but in her case, Mr Speaker, sometimes it is her fingers engaging before her brains when she tweets things. ‘What are they doing to Catalan Bay?’, she tweeted, when some works started there at the end of May – ‘What are they doing to our beach?’

1005 People know what we were doing to the beach, Mr Speaker. We are making it accessible, at last. It will be even more accessible when the bits left to get people to the shore arrive, which have not arrived. But well done, Minister Costa; well done, Minister Sacramento; well done, Minister Linares for delivering at last an accessible beach there and elsewhere in Gibraltar!

1010 I suppose that the answer to ‘What are they doing to our beaches? What are they doing to Catalan Bay?’ is now writ so large, it is such the right thing to do, that she must really be disappointed with herself for engaging fingers and thumbs before brain.

1015 Like this criticism, Mr Speaker, that she makes of the percentage of women on boards: but I know that she does not like to talk about the board of GBC. I think she has actually said to people do not mention the GBC board, because there are more women on the board of GBC than there have ever been. I think it is up to 40% or 50% of the board of GBC are women, but not that that matters because what matters is who is right for the job – not a percentage of people. That is not equality. That is the sort of number crunching she should be doing about the estimates.

1020 On issues relating to Moroccan nationals, does she not know, did she not hear the bit that I spoke about in terms of the number of people who have been naturalised? She just ignored that. I suppose that is just another one of the parts of the speech that was written that just had to be delivered.

She talks about 52 breakdowns of ambulances. If she bothered to check, 47 of those relate to the ambulances that we inherited from them and have had to replace! (*Laughter and banging on desks*)

1025 Then what looked at first blush as a huge and justified criticism: the GHA should not be called to start the party political exchanges with the Opposition and denigrate Opposition Members. It sounds good, must have sounded good when she was typing it or writing it. But of course, it ignores an important part of the political history of Gibraltar as well, which is that for the 16 years that they were in power, all engagement in respect of health matters was done by the GHA on the letterhead of the GHA, and there are some pretty tough ones attacking Mr Costa, who was then a young man, new into Parliament, the blue-eyed boy of the Opposition benches, being savaged on the letterhead of the GHA.

1030 What is worse, Mr Speaker, the CEO of the GHA was rolled out to do party politics for the Members opposite when they were in Government (**Several Members:** Hear, hear.) (*Interjection*) – not that he got very far, because if measured with Mr Costa’s credibility, his was absolutely on the floor. But I guess if she is saying that, there is another one of those things where the GSD is being repositioned: the old GSD did one thing; the new GSD does another.

1035 There is nothing of substance. It is not something to say, ‘Oh I did not vote GSD before because they were in favour of the GHA answering press releases. Now that they are not going to allow the GHA to answer press releases and they will themselves, I am going to vote GSD.’ It is not a repositioning of any substance, Mr Speaker; something which is just irrelevant.

1040 Then she criticises, Mr Speaker, the board of the GHA, of which she was a member, for not being open enough. She was a member before the election. Now it is completely open. People can turn up and listen to what was going on. When she was a member of the Board, she did not say, ‘Hey chaps, let’s open up!’ But now she criticises that there is not enough openness.

1045 Does she not realise that people can now put things on the agenda of the GHA board for discussion? Before it all used to be done through the Minister or the CEO. What is going on? Should she not at least give the Chief Executive a chance, he is in his probationary year?

1050 Then she talks about John Langan and criticises him for the work that he did. Well, I think everybody who knows John Langan and who knows what is going on in the GHA has very much welcomed what he did, and the fact that he and... well, he in particular has been working for much less pay than the former Chief Executive, Dr McCutcheon, ably assisted by Mr Lima, I must say – very ably assisted by Mr Lima.

Then she criticises the increase in the budget of the GHA, but says that the GHA must do more. So let us be clear, if they were to win an election tomorrow, they would cut the budget of the GHA again – the GHA that has come in on budget, well done, John Cortes, for the first time in history (*Banging on desks*)

1055 they would cut the budget – (**Several Members:** Hear, hear.) – but they would offer more services. This is the twilight zone world in which Members opposite live.

The spending on locums she said is an issue. Well, it is down from £3.5 million in 2010-11 when they were in power, to £1.9 million when they were in power for two thirds of the year, to £1.58 million when we have been in power for the whole of a financial year. So her analysis is just completely incorrect.

1060 On Social Services, she says, ‘I have reviewed the press releases and not much is happening.’ Does she think that work is reflected in press releases?

They say that we issue too many press releases, and then when they do a review of a Department, when they have a reshuffle, all they do is look at the press releases. And if there are not enough press releases, you have not done enough. They have got to make up their minds! Do they want us to issue a press release every day saying what we have done? There is much more going on than press releases in the Social Services Agency.

1065 There is a whole list of things that the Hon. Member, Miss Sacramento has set out. We have not continued the GSD approach to training; we have changed it and improved it considerably. Generic core training is enhanced, 65 sessions delivered last year. Staff development training is a new thing involving the staff in how to change core training, sharing training with the GHA because this is one Government, as my Ministers constantly remind them.

1070 Social workers going to the UK for training, something that had been suspended for many years; and the big, big change: domiciliary care. Yes, they offered some, but that is where the similarity ends. No-one used to get domiciliary care before, when they needed it. They used to go on the waiting list, until somebody who was getting it died, and then they would get domiciliary care. Now there are two providers instead of one; the budget is increased to £550,000; and we get a better deal so we get more domiciliary care.

1075 There is no historic waiting list for domiciliary care now. Did she hear me? There is no historic waiting list for domiciliary care now. That is over, finished, as a result of the sterling work done by Samantha Sacramento after 9th December. A *huge* improvement: there is the current waiting list, but there is not a historic waiting list.

1080 Assessments as to need for community care are done by people who know, by social workers, not by clerks. This is just... The changes... ‘The Calpe Ward is the only thing you have done in the 18 months.’ Well, we did the Calpe Ward in four months – three in fact. ‘And you still have not been able to stop cancellation of operations.’ There were no cancellations of operations due to bed shortages; there was almost zero for most of 2012; and in early 2013, they were due to the annual winter surge.

1085 But she says she is happy there has been an increase in social workers. Well, at least I am pleased to share some happiness.

1090 The Clubhouse Project, ‘the Toc H is not the right place for them’; well, you gave it to them. The temporary place is even better than the final place that they will have.

1095 Then the most *pathetic* of the arguments put: this welcoming of the Care Agency parity with GHA for the grades that used to have the analogue. Does she not know that this is a problem that they created in 2009? Does she not know that they kept people waiting until the election 2011 and still had not sorted it out? How can she make that a point that she says she welcomes, when her Party when it was in Government did not deal with it? This is just re-positioning of the GSD, but re-positioning using only *mala leche* and no brain.

1100 I want to turn now, Mr Speaker, to a man I have always considered a friend, and continue to consider a friend, in evidence of the fact that politics does not need to get in the way of friendship. So Mr Speaker, Mr Bossino obviously started his intervention, devastated by the fact that the Employment Survey publication on Friday had really done for their argument on the Future Job Strategy, and still licking the wounds of the loss of the leadership of the party in February. I guess that is why most of his intervention was given through gritted teeth, because of the problem with the numbers in the Employment Survey, and the fact that he was not sitting closer to the centre of the semi-circle.

1105 But I have to recognise that the Hon. the Leader the Opposition has done an interesting political job on him, by giving him this poisoned chalice of having to shadow the great Joe Bossano. It is a poisoned chalice, not just because Joe Bossano is going to do what he says he is going to do in politics on every occasion in every Portfolio, but obviously for him in particular, because his new beloved leader has made him shadow his former beloved leader and idol. That is actually... I mean hats off to the Leader of the Opposition, it is a slightly wily political move there!

1110 Well, obviously the first strategy in the By-election was rubbish the Job Strategy. Employment Survey is published: ‘Oh doo-doo, what do we do now?’ Because you see on Friday of last week Gibraltar saw for the first time the *huge* success that Joe Bossano has brought to the Employment Ministry: 524 jobs for Gibraltarians in one year, compared to the average growth of 22 Gibraltarian jobs in one year under the GSD for 16 years.

1115 And the unemployment at 522, reduced from the 1,000 that the Hon. the Leader of the Opposition disclosed by a Freudian slip of the tongue during the course of the General Election campaign must be the

unemployment, given the calculation that he did as to the cost of the Future Job Strategy as he understood it to be.

1120 So Mr Bossino is wrong footed at the General Election because he joins the Party that loses. He is wrong footed at the leadership election, because he is not elected as a result of this nefarious secret ballot that snares him at the last minute, and then he is wrong footed on the Employment Survey in the middle of the By-election campaign. My dear friend Mr Bossino's political career really seems to be going down in the doldrums.

1125 When I said that everything that was going up that should go up and everything that was going down that should go down, I did not mean him. He knows I am a fan of his.

I guess there is a lesson in that, though, for the hon. Gentleman he started his intervention by saying... by *attacking*, not saying; attacking, because he used it as an attack – Joe Bossano is a leopard that does not change his spots. (*Interjection*) But he was wrong to attack Joe Bossano on that basis. That is Mr Bossano's strength; it is not his weakness.

1130 Mr Bossano has been making the same points in Government as he was making as Leader of the Opposition and as Opposition Member for 15 years, and as Chief Minister for eight before then. He is sure of his position, he is sure of his ideology, and that is why he has seen it through into this massive success in the Employment Survey, and that is why he enjoys a massive respect amongst the population, even amongst people who do not vote for him.

1135 But, the Hon. Mr Bossino keeps changing his spots at just the wrong time. That is the problem. He went from admiring Joe to joining the GNP Liberal Party, to leaving us because we had merged with the GSLP in this electoral alliance that we do, because Mr Bossano remained leader, to then taking the final step to the dark side by joining the GSD, and then to arguing, finally as he emerged in the GSD, to say that Joe Bossano is the danger for Gibraltar, a problem. So from idolatry to saying that Mr Bossano is the danger.

1140 I will allow Mr Bossino to, of course, take his own counsel. I will only say this and it is not something I would say to everybody on the other side. I will say it to him privately, I say to him publicly now: it is a two-way road, you can come back. Because if you are going to change your spots again, change them at the right time, otherwise that political career is just going to keep going in the same direction.

1145 You see the hon. Gentleman has not just changed his spots: he has not got spots any more; he has got stripes. It is a complete transformation for Mr Bossino.

1150 Then he quotes me, when I was Leader of the Opposition, Mr Speaker, talking about the figures and what I said about people who are unemployed. Of course I was dealing with the published figures then, not with the real figure that Mr Feetham disclosed during the General Election campaign. I was talking about the 400-odd, when in fact the number was, we were told later, about 1,000. About people being fed up: I thought there were 420 people fed up; there were 1,000 people fed up. Half of those already, more than half, Mr Bossano has dealt with.

1155 Some people were so fed up, they did not even bother to turn up and sign on as unemployed, because all the Minister used to do was, if he turned up to the office, smoke his way through the day or perhaps not turn up at the office and go down to a particular café in town to avoid being in the office. But now that there is a Minister there working for our unemployed, people are coming back and registering themselves, and if you look at how long people have been unemployed for, the hon. Gentleman might find that some of the people who he is complaining are now on that list and that unemployment has gone up have been unemployed from the time when they were in power.

1160 So unemployment is down, and therefore, Mr Speaker, for him to then say that we are not being transparent and democratic in the way that we approach our obligations as parliamentarians... As I told others before, people are never going to believe that. They are going to compare what you say about unemployment and what you say about democracy, look at what Mr Feetham said during the election campaign about the 1,000 unemployed, look at the fact that the GSD called one meeting – *one meeting* – of the House in 2001 or 2002, a maximum of two before the election and that we call 10 and that we cut unemployment by half, and they are going to say Damon Bossino is not a man to be believed.

1165 So my advice to him is do not do that, because that speech from which he quotes – I suppose he does not like to hear this – the speech from which he quotes me, that speech I gave as Leader of the Opposition. I do not like to blow my own trumpet, but the Hon. Dr Bernard Linares, when he was in this House, and are used to complain that he used to blow his own trumpet, used to say to me, 'Look, Fabian if you do not blow your own trumpet, nobody will.' So I am going to just take a leaf out of his book for a moment, and I am going to say to him that speech that he quotes me from, that Leader of the Opposition speech, is undoubtedly, when you look at the facts, the most successful Budget speech ever delivered by any Leader of the Opposition, because within months, I was occupying this chair, not that one; and the person who has held the post as Leader of Opposition for the shortest period of time – although I do not know whether Mr Feetham is about to beat me the day after the By-election!

1175 So I understand why it is that he quotes from the speech. But to extrapolate from that this Bermuda Triangle that he talked about, (*Interjection*) well look, I think there is a Bermuda Triangle in Gibraltar and

1180 I am trying to find it, because if the Bermuda Triangle that he talked about, which does not contain any jobs, there must be £10 million for where the Theatre Royal used to be and when I get my hands on it, I will put it back into Government coffers. There must be many millions more pounds that were wasted during the time that hon. Members were in power. That is the Bermuda Triangle that has afflicted Gibraltar for the past few years.

1185 He says that we will not be silenced, Mr Speaker, we will exercise our freedom of speech. Mr Speaker, I am giving the hon. Gentleman advice to make better points; I am not saying he should not make points. This Government does not want to silence them. In fact, given the tenor of what they say, we are actually quite happy that they should continue to be the Opposition and continue to make the arguments that they are making, as loud as they can, because it is so easy to discredit them that we are guaranteed Government whilst they continue to make these *mala leche*, no brain points. They should not have to worry about us wanting to silence them. I positively encourage them to continue engaging mouth before brain as they have done in the course of this debate.

1190 He replied to Mr Costa only on one point, and one knows the points that the GSD are going to make in this place, Mr Speaker, because one sees them tweeted a couple of days before, either by them or by some of their sycophantic supporters. 'Ah, call this progress, the number of cruise calls for 2012 was down', hell and brimstone, fingers engaged before brain by whoever tweeted that one!

1195 But I expected better from him because he engaged mouth before brain, when he repeated it. Does he not know that cruise calls are booked a year, sometimes two years in advance and that the numbers for 2012 are the numbers which reflect the bookings when they were in Government until December 2011? Does he not know that? Does he not accept it? It is very simple and straightforward. Does he not realise that what he has done is raise a criticism of the Government whose record he is trying to defend.

1200 Mr Speaker, I would like to have a meaningful debate. I too would like to have to engage brain in order to reply to them; but it is just too easy! They give us the argument on the one hand that bookings are done two years in advance through Mr Holliday, and then they give us the argument from Mr Bossino that the bookings for 2012 are down and this is awful. Join the two together and you have the answer. I am almost bored in having to reply. I really expected so much more, Mr Speaker. (*Laughter*) The 'Class of 84' expects so much more, Mr Speaker.

1205 This betrays, Mr Speaker, another failure of the GSD in the last year in office, and putative Leaders of the Opposition who want to be putative Chief Ministers cannot make mistakes like that, because we will be reminding you, year after year, Mr Speaker, in this place.

1210 The final thing I want to say to the Hon. Mr Bossino is to ask him to consider an inverse proposition. I will explain that: I mean the opposite of something he has said, alright? (*Laughter*) He said he was so confident that the result of the By-election will be that their candidate will emerge as the winner – that is if after today she does not decide that she is not their candidate any more, she goes back to being an independent, as she was a couple of weeks ago – he said he is so confident that their candidate was going to win, that if the Government lost the election, I should immediately call a General Election. I bet that line sounded good when he wrote it.

1215 I am going to ask him a question and he does not have to answer, because in this House in this debate he does not have to answer. But what happens if the opposite is true and their candidate does not emerge victorious in the By-election – if she is still their candidate by the date of the By-election. What happens if our candidate emerges victorious from the By-election and I do not believe polls, good or bad. What the people will do, the people will do: they will decide, they will determine who fills Charles Bruzon's seat in this Parliament. But the inverse proposition of what he put to me is that I should put to him that they should all resign on the day after the By-election, if their candidate does not win and ask the people for a mandate to renew them in Opposition. We can quite happily do so, without having to have a General Election. We can have seven new By-elections and we have a new Opposition – a PDP Opposition, a Bryan Zammit and six other independents' party Opposition; or they might be renewed and Sir Peter may go and Marlene may come in or somebody else, but if he said to me with such gusto, 'If you lose the By-election you must call a General Election, Chief Minister', well, what happens if you lose the By-election? Why do *you* not put your seat where your mouth is? That is why it is important to also engage brain before pen.

1230 Mr Speaker, talking about resigning, perhaps it is something that Mr Figueras may want to start considering immediately, because frankly, in a stable of lack-lustre speeches, his was really lacking any meaningful analysis. All it had was partisan bent. Some of the others were flat, particularly the Leader of the Opposition's. Their facts were skewed. But Mr Figueras took the absolute biscuit. When he uttered his first sentence, he got it wrong. His *first sentence* – fiasco. He said, 'I am the Minister with Shadow responsibility for Justice and Home Affairs'. I do not know whether that means that he is in charge of the cooking at home, Mr Speaker, but there is no portfolio of Home Affairs in Gibraltar. There is a Minister for Justice and he shadows the Minister for Justice. I do not know what Mr Licudi's arrangements at home are. (*Laughter*)

1240 He does not even know how to describe himself, Mr Speaker! There is no Minister for Justice and Home Affairs, so he could not even get the name of his shadow responsibilities right. But what did he say? He went on to talk about how we should not have made the reforms to the DPC. I know it is incredible Mr Speaker, but he said it. You were in the Chair, you heard him.

1245 'You should not have made the reforms to the DPC; you should make decisions; you should rule; you should decide; you should determine.' I suppose that is from the right wing of the GSD. That is not the centre left or the left. This 'the Government rules' must be from the jackboot part of the party.

1250 And then he says, with a straight face, 'It is absolutely incredible that you are not yet subjecting yourselves to the open planning procedures of the DPC for Government projects.' For goodness' sake, Mr Speaker! A or B? Should we subject ourselves to the planning process or should we rule and determine? Was the Sunborn a done deal or should it in fact always have been a done deal, because we should never have gone to planning, even for guidance and advice? Which is it? You cannot have them both.

1255 I do not know whether it is in fact just political schizophrenia of the worst sort: 'I am going to say both things. There might be people out there that want to hear one of them and who are stupid enough not to see that I have said both, the thing they like and the thing they do not like.' What sort of politics is this, Mr Speaker?

Then they tell us, at the same time as they say you should rule, you should determine, 'But you have to consult'; and then when you consult, they say, 'You did not have any plans that you had thought out because you changed as a result of the consultation process.' Mr Speaker, what is this, the Twilight Zone?

1260 The hon. Gentleman can play all of these games, of course he can. He can say what he likes, but he is only going to convince the permanently lobotomised that he is a serious politician. This is not a serious way to do business in this House.

1265 On the issue of the tank farm, he does not even have the courtesy to tell the House that that is in respect of a client of his. But there is one clear thread in his speech, and I am grateful for the clarity of it, because I am now going to amplify it for the whole community. The GSD continues to believe – this is not an issue on which they have repositioned themselves – that the Government should not subject itself to the process of planning and that we must shut the doors on the process again as soon as possible. *At last*, in that speech, at last, it sounded like the same old GSD. I was almost nostalgic for it.

1270 So with that honesty we will amplify during the course of the next few days, in the context of the By-election campaign, that the GSD policy continues to be to reverse all progress in respect of the DPC. He actually said that the DPC gets in the way of things. I suppose that consultation also gets in the way of things. Publicity gets in the way of things. Unless of course, consultation means today in the GSD what it meant before in the GSD: 'Rosia Tanks, we are going to demolish them.' 'Oh, please don't, that's where Nelson victualled the *Victory*... Oh, they're gone!' Consultation à la GSD.

1275 And then he reached new heights of political ridicule. I almost wish, Mr Speaker, that the hon. Gentleman had picked up a red nose and put it on, when he said, with a straight face, that one of the problems with getting office developments going is the impositions of the DPC, although he acknowledged the measure that I had brought in. He can check *Hansard* if he cannot remember. The impositions of the DPC are stopping office developments.

1280 Mr Speaker, if Sir Peter Caruana had been here to hear that, I think he would have gone redder than he went the day that Mr Netto said what he said about the prayer. Because you see, it was the hon. the backbencher who was very clear here in saying that the only thing stopping office developments in Gibraltar was that banks were not lending, and that is why he was making the equity investment in the Mid Town development which we criticised.

1285 Things just get curiously and curiously. Is he not supposed to be involved in the financial services industry in our community? Does he not know these things? Because everybody I talk to knows these things, and talk to the Government, as the Deputy Chief Minister has said repeatedly, about the banks, the lenders that will not lend, for issues unrelated to Gibraltar and Gibraltar property, but they will not lend because of constraints on them from outside. And that was the position of the previous Chief Minister as well.

1290 But then when the ridicule was just getting impossible to bear, and I was feeling almost ashamed for him, because I still have some affection for him, he took the whole thing to a different height. I thought I had misheard him. But the *Chronicle* today very kindly set out what he said in black and white and I am sure the *Panorama* and other newspapers will pick it up and reflect it. He said: 'When Gibraltar delivers the change in the shape of Gibraltar's first one-term Government, and returns the GSD to office in 2015...' I bet that sounded good when he was writing it, Mr Speaker – right sort of tone, take on the new Government.

1300 Anyone with the most minor interest in local politics will know that Gibraltar's first one-term Government, if he wants to call it that, at least in the time that we have had Chief Ministers, was led by Sir Robert Peliza from 1969 to 1972. The AACR lost in 1969 and came back in 1972. If a 14-year-old had told me what the hon. Gentleman had told me, I would forgive him. But this community needs to know the lack of basic political knowledge that the hon. Gentleman has about the history of Gibraltar, the

modern history of Gibraltar, when they listen to him pontificating about what the future of Gibraltar should be.

1305 I am going to give him some advice. Before he was undoubtedly one of the best Ministers Gibraltar has ever seen, the Hon. Dr Garcia was one of the best historians Gibraltar has ever seen and he has written what is known, even in diplomatic circles, as the definitive modern political history of Gibraltar. He should read *Gibraltar: The Making of a People*, because then he would not be making these basic mistakes.

1310 But then again, I guess this is what we are in for: all of the *mala leche* and none of the brains, (*Laughter*) the new GSD, repositioned. And I was worried that young people in school did not know about the political history of Gibraltar! It is like ‘the first time in history that there are two women in the House’ – from parliamentarians, who should know better.

1315 Then on to the Proceeds of Crime Act: he was really on a roll, he would not give way. Look, the only point that we wanted to make to him in respect of the Proceeds of Crime Act is that it is not a criminal matter; it is a *civil* matter in the Proceeds of Crime Act.

1320 And then, if he had bothered to check – but if he does not know the big facts, how is he going to know the little facts? – the Proceeds of Crime Act is something that I had been raising in this House when I was in Opposition and something that we are already looking at. But this new found concern for the rule of law, and law and order, must be something completely new found. Because look, the Hon. Mr Feetham in 2003 was saying in the *Panorama* that the Fishing Agreement was bad for Gibraltar because it was a ‘coach and horses through the rule of law’ and now he has forgotten that.

But when the hon. Gentleman says, as very helpfully set out in today’s newspaper – and this is really so serious it bears analysis –

1325 ‘Gibraltar is falling off the wagon or veering from the course set by the GSD Government back in 1996, a course away from criminality, a course away from the easy come, easy go criminal lifestyle.’

1330 He is saying, that under this Chief Minister, Gibraltar is veering towards criminality, easy come, easy go criminal lifestyles. That is what he is saying. He is saying, and I will repeat it because he is saying he did not say it:

‘Gibraltar is falling off the wagon or veering from the course set by the GSD back in 1996, a course away from criminality, a course away from the easy come, easy go criminal lifestyle.’

1335 If we are veering away from that course, we are veering towards it. That is what he is saying.

Well look, whatever our position is in respect of the Fishing Agreement, I have made very clear in Gibraltar and internationally, the importance of adherence to the rule of law, even if it has resulted in diplomatic incidents. That is the importance of the rule of law in Gibraltar today. Since 1999, the rule of law was something which had a massive crack in it.

1340 But what is it that makes the hon. Gentleman think that we are veering off course? Is it that we have spent more money in employing police officers than they ever did? Is it that we have given more resources to the Police than they ever did? Is it that we have bought them more assets for their marine section than they ever did? Is it that we are talking about the Customs Department becoming a Law Enforcement Agency or recognised as being a Law Enforcement Agency; that we are buying them vehicles for once so that they do not have to rely on confiscated vehicles; that we are buying them four vessels? Is that what makes him think?

1345 He does not realise the importance of what he is saying. What is an international investor going to say if he reads Mr Figueras’ speech? ‘Hang on a minute, Gibraltar is falling off the wagon! It is not going where the GSD was taking it, we are now going towards criminality, easy come, easy go criminal lifestyles.’

1350 Anybody who reads today’s *Gibraltar Chronicle* would take that to be the meaning of what he said. I have never heard anything more irresponsible or ridiculous uttered in this place by anyone! He should consider his position and resign his seat, *now*. He should not wait for the morning of after the By-election. *Nobody* in our community is going to accept that that is something that a parliamentarian should have said in this place today, especially given the massive investment in the forces of law and order in our community which goes beyond *anything ever invested by any Government, the huge commitment, the unimpeachable commitment in the rule of law*, which they have criticised.

1355 So frankly Mr Speaker, although he can pretend not to care and joke, the rest of his speech was just like the white noise that one gets when you are not able to tune a channel in on the television – until he got to the accusation of cronyism. This is a common GSD theme and it has to be exposed. It is a common GSD tactic: throw as much mud as possible, even if it is untrue, some of it may stick.

1360

But, Mr Speaker, this is the Parliament of Gibraltar on the Second Reading of the Bill on the appropriation of money for the use of the year. It is not the Comedy Club. This is not 'Live at the Apollo', Mr Speaker. So I am going to have to deal with the allegation, even though it is ridiculous.

1365 He said we were creating jobs for the boys. Well, it is not true, Mr Speaker, it is not happening. We are creating jobs for Gibraltarians, regardless of their political colour. But they do not care, he just said it. He engaged mouth before brain.

1370 But of course, I cannot prove a negative. It is impossible to prove a negative, but I can debunk the examples that he gave of it. He talked about the Sardeña matter. Well, Mr Speaker, the Sardeña matter is not a piece of evidence of cronyism; it is the best possible evidence of abuse of power for the time that they were in administration, using the whole of the power of the Chief Minister of Gibraltar from No. 6 Convent Place to victimise an individual.

1375 But what happened? He has not had an award from the Industrial Tribunal, he has not had a job. Where is the cronyism? That we withdrew a defence, a defence that cost more, *much more* than the maximum the man would have got from the Industrial Tribunal. It has not happened yet, but it does not stop Mr Figueras.

I am going to do the research he should have done. I have got the definition from the Oxford Dictionary of what 'cronyism' means. It is this:

1380 'The appointment of friends to Government posts without proper regard to their qualifications.'

1385 Ay, ay, ay! Does he not remember, because he was here, the Question Time debate – although Mr Speaker would rightly say we should not have them at Question Time – about the Culture Agency, when the hon. the backbencher took away the list of people I gave him that he employed *a dedo* without interview and said he was going to come back and dismiss and debunk all of that suggestion that I had made – and we are still waiting?

1390 I will tell you what I have done, Mr Speaker. I have asked the Chief Secretary to produce a list of people who were employed without interview at the time that they were in Government, (*Laughter*) in the Civil Service and in the public sector more generally. It is taking so long to compile, it is not yet ready. There are so many people on that list. Now, if somebody is employed without interview because somebody says so, then I put it to him, Mr Speaker, that that is cronyism.

1395 But if they think that that is not cronyism, something which has not happened since 9th December 2011, but was rife before that date, I will give them another few examples of cronyism *à la* GSD. What about the *Seven Days*, giving somebody who was not a journalist, no qualifications, £150,000 to publish a rag every Friday saying how good they were, how bad we were, not one other advert in there that paid its way, wholly funded by the Government of Gibraltar, to attack the Opposition? That is cronyism. In fact, they were probably written *inter alia* by people who are now sitting on that side of the House. That is cronyism of the worst sort: paid to an individual who is related to somebody sitting on that side of the House, £150,000 of taxpayers' money to do their dirty partisan work.

1400 I will tell him something, Mr Speaker, there was a leaflet, a newsletter ready to go out to the residents of Waterport Terraces, of Cumberland, of Bay View, of Nelson's View, telling them about the changes that were happening in their estate as a result of us having to spend £10 million to fix the fracas that they left behind. I have stopped it; it is not going out until after the By-election, because I did not want it to interfere with the democratic process.

1405 You spent, when you were in power, hon. Members, £150,000 on just one publication related to one of your members of the Executive in this House.

1410 Then he says that people who cross us suffer consequences. Well, Mr Speaker, that was true when they were in power. Mr Sardeña is living proof of it. Joanna Hernandez is living proof of it – thank God! So is her daughter. *VOX* is on-line proof of it; no longer print proof of it, because all adverts were withdrawn when the editorial line turned anti-GSD.

1415 I am living and successful proof of it, Mr Speaker. Or is it that he, my erstwhile friend, has forgotten what it was that they tried to do to me, to suffer consequences? As soon as it appeared that I might become Leader of the Opposition and whilst I was, there was a concerted effort, led from No. 6 Convent Place involving I believe, but I cannot prove, the Hon. now the Leader of the Opposition, headed by Mr Rafael Benzaquen – the one who took the £¼ million for legal work that we cannot find – to have me disbarred; to stop me from earning a living; to stop me from being able to pay my family's mortgage; just like they were doing to Sardeña and to Hernandez; just as they did to *VOX*. That is people suffering personal consequences as a result of crossing the GSD! That is the *disgusting* behaviour to which they sank, and that is the flank which he opened, when he made that baseless allegation of those things having happened after 8th December 2008.

1420 I will tell him more, because he is an erstwhile friend, they did not even have the courtesy to grant me an adjournment of the hearing the day after my father had died. The GSD and all members of its

Executive insisted that I turn up to this trumped-up charge by the Bar Council or at the Bar Council by them, by Mr Benzaquen and others in the GSD, the day after my father had died.

1425 So, Mr Speaker, if the hon. Gentleman wants to talk about people suffering consequences for crossing people politically, he is talking about the Party he represents, because the Party I lead will *never* visit consequences on *anybody* because they cross us politically.

1430 So frankly, Mr Speaker, despite our friendship, I was very dismayed that he demonstrated that he does not deserve to hold a seat in this Parliament to represent the good people of Gibraltar. Some people are obviously just elected because of the Party epithet that they carry, and if there is one thing that is true about the Party system, it is that he has demonstrated that if he had to stand on his own two feet and did not have three Party initials behind his name at an election, he would not be here today, if that was the sort of argument he made to the general public.

1435 He did not mention, Mr Speaker, *one figure* in his intervention. In this debate on the Estimates, he did not mention one *number*. You need to come prepared to this House to discuss numbers and figures in a debate on public finances and the economy, and I say to the hon. Gentleman he is actually much better cast in the role he does so well of the bumbling comedian, rather than of the useless rogue armed with broken facts that have no basis in reality.

1440 Like the argument of the golden legacy, Mr Speaker, which was clearly the reality of the poisoned legacy which the public will see today, when I publish the Financial Secretary's memoranda. Of growing debt, of decreasing usable cash reserves, not enough to get us through to the end of the financial year, which we found; or the housing waiting list that we found that had gone up from 400 in 1988 to 1,500 when we took over; to an unemployment that was over 1,000 people in Gibraltar, that is the poisoned legacy that the Party opposite left Gibraltar. They must have alchemist's spectacles if in that poison, they see gold. Because their new less than sophisticated slogan is *pa'lante*, Mr Speaker because they do not want anybody to look back.

1445 I guess things may look golden in this Twilight Zone in which they operate – or perhaps the 'twilight' is that these are the twilight years of the GSD. All that does really help to describe Members opposite as a team: a Twilight Zone of people making facts up, which is what has characterised what we have heard.

1450 Even Mr Bossino's interventions, completely undone by the facts that Mr Feetham gave away during the General Election campaign.

The unemployment figure obviously down by half from that 1,000, given that we have added 524 Gibraltarian jobs and the number is down to 522.

1455 Even in the Finance Centre, which Mr Figueras said is the biggest hostage to Joe Bossano, jobs are *up* 200; gross debt is down 27.5%; net debt will be down by this time next year, 10%; the minimum wage is up; but electricity, social insurance and rates remain static; a bigger reduction in the cost of doing business in Gibraltar, than the percentage rise in the minimum wage; tax liabilities are down on the allowance based system and new deductions are introduced on the gross income based system; allowances for the disabled are up; personal allowances are up; and usable cash reserves are up from £20 million – or dare I say £2.1 million when we finished the year – to £85 million, *25 times the number*.

1460 *Nothing* they have said has taken *any* of the shine off of this brilliant Budget for our community. *None* of the arguments they have put have tarnished the clear benefits for people from across our community.

1465 This Budget, Mr Speaker, of real social justice remains a testament to our continued delivery of our manifesto commitments. That is why the work we are doing here is so welcomed by many in our community. We are rightly seen by objective observers to be not a good Government, Mr Speaker, but an *excellent* Government and that is the work – given that they introduced this into the debate – that is the work that Albert Isola would be adding to, if he is elected on Thursday to join us on the Government benches.

1470 Helping to deliver lower debt, higher usable cash reserves, a larger kitty for Community Care and for the elderly in our community, more homes for our people, more jobs for those that need them, more investment in Gibraltar, Albert Isola is a man proven in business and in politics, Mr Speaker. He is the only candidate at this election with experience of Parliament. He is the only candidate who if he is elected I will make a Minister and will have the chance to work for our community in Government.

1475 But until then, Mr Speaker, our community cannot be without an appropriation and *nothing* I have heard persuades me to do anything other than to continue to commend this Bill to the House. **(Government Members: Hear, hear.) (Banging on desks)**

Can I invite you to recess the House now until 3.15 p.m.?

1480 **Mr Speaker:** Yes. I now put the question which is that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2014 be read a second time. Those in favour? **(Members: Aye.)** Those against? Carried.

1485 **Clerk:** The Appropriation Act 2013.

1490 **Appropriation Bill 2013**
Committee Stage and Third Reading to be taken the same day

Mr Speaker: May I ask the Chief Minister now to give notice about the Committee Stage.

1495 **Chief Minister (Hon. F R Picardo):** Mr Speaker, if all hon. Members agree, I would ask that the Committee stage be taken later today.

Mr Speaker: Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

1500 So the House will now recess to 3.00 p.m. for that purpose – (**Several Members:** 3.15.) 3.15? Even better! (*Laughter*)

The House recessed at 1.05 p.m. and resumed its sitting at 3.20 p.m.