



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.30 a.m. – 2.30 p.m.

Gibraltar, Thursday, 3rd July 2014

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The Gibraltar Parliament

The Parliament met at 11.30 a.m.

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

[CLERK TO THE PARLIAMENT: P E Martinez Esq *in attendance*]

Order of the Day

BILLS

SECOND READING

Appropriation Bill 2014 – Second Reading approved

Clerk: Sitting of Parliament, Thursday, 3rd July 2014.
Second Reading of the Appropriation Bill 2014. Budget speeches continue.

Mr Speaker: All hon. Members having contributed to the debate on the Second Reading of the Appropriation Bill, I will now call upon the Chief Minister to exercise his right to reply.

Chief Minister (Hon. F R Picardo): Mr Speaker, when one does not hear much credible opposition to a Bill presented by the Government, one has to wonder whether there is any point, really, in rising to reply; but the fact that things are not credible, does not mean that they might not linger in people's minds, and therefore it is, in my view, necessary to reply.

Mr Speaker, this has been, actually, quite a busy week for Gibraltar. Budget week is always going to be a week that is exciting for our community, in terms of the State of the Nation analysis that we do in this House, and of course the numbers that are published, although hon. Members and the House have the estimates since April, our community only sees them when we start this debate. But this year we have had on Budget Day also the very welcome visit by the Minister for Europe, the Rt. Hon. Mr Lidington, the publication at one minute after midnight, the immediate next day on the Tuesday, of an excellent Foreign Affairs Committee Report, the very title of which I think is reflective of the Foreign Affairs Committee's *always* very positive attitude towards Gibraltar. The very next day the visit, the *return visit* of 'EU Inspectors', as the press likes to call them, from the European Commission, and today we round up this Budget debate. So a very full week indeed, not just for politicians in Gibraltar, but I think for the whole community.

But, as I have said before, Mr Speaker, I am first and foremost in politics because I am a Parliamentarian and therefore this debate is always in the year the highlight of this week for me, or at least some aspects of it are. Mr Speaker, we heard, with my own speech included, already 10 speeches from Ministers, Ministers who have demonstrated in the speeches that they have given to this House that they really are in the thick of delivering on manifesto commitments – really in the middle of it. No question of any excuses. Here is what we are doing. Here is how we are doing it.

We heard announcements about the new Power Station tender being awarded, one of the most important projects that any Government will have the honour to discharge for our community. You were in one of such Governments, Mr Speaker, in the 1980s, that delivered the Power Station at Waterport. It is my honour to lead a Government that will deliver the next Power Station for Gibraltar.

We had announcements about new tenders for buses to be delivered for our community. We heard about new homes being delivered for our community. We heard about car parks finalised where they are most needed, in record time, and a University to be delivered in time before the next General Election by September of next year. All of that, Mr Speaker, in addition to two new schools being delivered in the Upper Town, in this community delivering *one* new school has always been a huge positive. We are delivering two, and the person who is delivering them is also delivering a University.

40 All of that, Mr Speaker, in the context of huge growth in the Gaming Industry, an industry that has grown half again in the two and a half years that we have been in Government – over 1,050 *extra* jobs in the last two and a half years – but not just jobs for outsiders because, Mr Speaker, we have heard about more jobs for Gibraltarians than ever in the history of Gibraltar. The *highest number* of Gibraltarians in employment, the *highest number* of jobs for Gibraltarians in two years, an average of 325 every year. Six hundred and fifty jobs in two years. (**A Member:** Hear, hear.) (*Banging on desks*) We have heard about those achievements. We have heard about our political work to ensure that European skies remain open to airlines flying to Gibraltar and we are not excluded from European Rules and benefits.

45 We have heard about replenished beaches and new incentives for the bunkering industry and we have heard about great advances in domiciliary care and care for our elderly. If that were not enough we, of course, heard about a Health Service that is now coming in on budget and working well, introducing new mechanisms for patient care, day surgery units that work and keep beds free and we have heard about the details of that new Power Station from the Minister, who is going to be responsible for delivering it, as well as great advances in sport and in culture. A new gallery opened, Gibraltar's exhibition of modern art. And you heard that, Mr Speaker, from Ministers at the top of their game, delivering game-changing progress in each of their areas of responsibility. In fact, Mr Speaker, I think it is fair to say that for most of this session, seven tenths of it... or ten seventeenths of it rather, the House has been in quite buoyant mood, like, I put it to the House, the Nation is, when Ministers have been setting out what they have been working on in delivering for our community. But it was in the midst, Mr Speaker, of that crisp, fresh, sunshine that saw these Ministerial interventions delivered – incidentally, crisp, fresh, sunshine in a Poniente breeze, the hon. Lady opposite might like to note – that we heard perhaps some of the most irrelevant and unpersuasive speeches of the Members opposite, with some notable exemptions, which I shall come on to.

60 But, Mr Speaker, the whole debate and the whole attitude that hon. Members have taken to the debate really puts me in mind of one particular phrase of Kipling's, from probably one of the most powerful poems in literary history... Members will remember it, 'If you can bear to hear the truth you've spoken, twisted by knaves to make a trap for fools...' from *If* – because, Mr Speaker, although I had heard the saying that the truth hurts, I had not actually seen quite how much hurt the truth could do until I had the temerity to tell the truth on social media. You see, Mr Speaker, I invited hon. Members at the beginning of this debate to frame the debate in honesty and I am a man who frames his debates in honesty and his tweets too, and that is why, Mr Speaker, I tell it like it is in here and I tell it like it is outside, and I am going to tell it as it is in here this morning too.

70 I think there have been few more boring, more inconsequential and more flat speeches delivered in this debate on the Appropriation Bill in the years since this Parliament has been considering an Appropriation, than that of the current Leader of the Opposition. It is true, Mr Speaker, I actually posted a comment about the speech by Mr Netto, who had a similar snooze-inducing effect on me and, I put it to the House, on some other Members too, but I think actually that I have to give it to him, maybe that is why he is the Leader of the Group that the Hon. the Leader of the Opposition outdid even Mr Netto in the poor quality of his very short speech.

75 I was going to do a detailed analysis of the Leader of the Opposition's speech, but of course there are two issues mitigating against that. First, I have done so in my opening speech, before he delivered his address; and second, because there is little to analyse, but there is much to correct, Mr Speaker. In fact, the little that there was to analyse, Mr Speaker, was actually so effectively contradicted by the Hon. Sir Peter Caruana, that I will deal with many of the things that Mr Feetham said in great measure by agreeing with the contribution by the hon. the backbencher. In fact, Mr Speaker, I think it is fair to say that the contributions on some of those benches opposite have been so at cross purposes that one of the things that I will be doing today is showing how Mr Caruana's arguments... Sir Peter Caruana's arguments, excuse me – assist in dealing with the Hon. Leader of the Opposition's arguments and how one of the Hon. the Leader of the Opposition's arguments assists me in dealing with Sir Peter's arguments himself. Of course, what that results in is that the Caruana argument checks Feetham, the Feetham argument checks Caruana, and it is a stalemate for the GSD.

90 One of the other things I will do is I will review for the House and the community's amusement, if nothing else, the extraordinarily badly designed advertisement placed only in one of our national daily newspapers that Members opposite appear to have wanted to waste their funds on. Well, I am delighted to see them wasting money before an Election is called, Mr Speaker.

95 I am also very sorry, Mr Speaker, to see that the Hon. the Leader of the Opposition decided that he was just going to deliver the speech that he came with and that he was not going to adapt it in any way. He was not going to see that some of it might have been rendered entirely irrelevant by the facts I disclosed, or indeed actually quite dangerous ground to continue to delve into, but never mind. I actually understood why he was stuck, why he had checked himself into a corner on this political chess board when I saw what he had sent to the printers. There was no way out. He could not just change the speech. He would have to

change the speech and the advert, all too late by then probably, knowing what print deadlines are like for that sort of advertisement.

100 Mr Speaker, I think it must have dawned on him as it must have dawned on all of them opposite – almost like the new dawn of 9th December 2011 – that they had a serious problem with this Budget, because I did not just express it as a game-changing Budget, it *was* a game-changing Budget, in particular because of what is actually being delivered and because of the analysis that discloses why recurrent expenditure has gone up and who is responsible for recurrent expenditure going up. One of the few things
105 on which the hon. the backbencher and I will disagree this morning is exactly what the increase in recurrent expenditure has been and what it is attributable to.

Mr Speaker, there are some people, I assume, in this community, who just will support either of one of the two main parties because they are tribal and they simply have an ideological bent, which puts them in one side or another, and that is absolutely fine, Mr Speaker. I support Liverpool Football Club, even when
110 they lose. In politics one says that, you know, one needs one's friends when one is wrong; not when one is right. Oh, my goodness, do the chaps opposite need their friends. There may be some people, Mr Speaker, in this community, who are convinced by a sound bite and who are convinced by a headline, but actually, apart from those tribal supporters of each of our particular parties, I ascribe to the electorate in Gibraltar the ability to do very careful analysis. They listen and they understand and they make up their minds for
115 themselves. They are not carried away by a sound bite or a headline.

So, Mr Speaker, just taking a first look at the 'big lie' advert, one of the things that is the premise of *all* of the speeches we have heard, and of this advertisement, is that we said that there was no money; and that has now been proven to be untrue. Well, why can we demonstrate, Mr Speaker, that that was no big lie? There are a number of ways of doing it... yesterday we obtained another.

120 You see, if hon. Members do not want to continue to have to speak against me and what I said during the course of the General Election campaign, which is not as they characterise it... but anyway, let us look at what the man they have oft described as near the Holy Grail of Gibraltar politics said yesterday. I said we were near the debt limit, Mr Speaker, yes. Members opposite said that is not true and it was never true. Goodness gracious. Sir Peter, yesterday, was to his credit, and in the style and guise of a backbencher not
125 involved in the political cut and thrust, entirely straight forward about the position as it had been. He said that when he was a – *el telefono de los aludidos* [*Inaudible*] (*Laughter*) He said that when he was leaving the Administration he was reaching the limit and he would have gone for a resolution to borrow more, and he confirmed it yesterday in this debate. Mr. Speaker, I say to him that his honesty, in the way that he presented his argument, enhances him in the eyes of the House, no doubt, as he describes himself as being
130 in his twilight years in this place, which he made it clear also yesterday. This is what he said, and these are his exact words:

'On that basis [...] of course'

135 – he is talking about debt –

'it is possible what they have done'

140 –talking about us –

'is adopted the GSD's policy on how to fund a manifesto commitment, whilst staying within prudential bounds and legal bounds, because he has been fortunate and in that I would have been willing, whilst keeping within economically prudent guidelines, to have changed the law to increase the debt ceiling, the debt limit, which I acknowledge would have been necessary...'

145 Now, that is not the ogre, Fabian Picardo, who cannot count, saying it. This is Sir Peter Caruana, a man whose citation for the receipt of his Knighthood was his prowess, economically in relation to Gibraltar, and who has of course, as a previous Chief Minister, the respect of the whole House and yesterday was very clear in the way that he was making his address. So when the first part of the big lie advert – it is incredible how that now can start to mean something else, the big lie advert – the first part of the big lie advert and the
150 first premise that the hon. Members were trying to persuade us of and spin in this House was that we had lied during the course of the General Election...it has been a theme they have been developing for over two years – that the debt ceiling had been reached or was being reached. Well, that is now actually confirmed by the man who was their leader. In fact, it is just not confirmed by the man who was their leader, it is not just Sir Peter Caruana, ex-leader of the GSD, who has confirmed that the debt ceiling was being reached and the
155 only way to fund the GSD's manifesto commitments was to change the law in order to move the ceiling, this was said by a man, who the Hon. the Leader of the Opposition has described as possibly the greatest Gibraltarian politician of our time, or of all time, depending on who is listening; but I do think he is trying to be quite flattering when he says either of those two.

160 And so, although it is not something that... I know he does like to butter people up at different times in order to persuade them to continue to support him, that is more than just butter, that is lard that you are pouring on there. But anyway – (A Member: Jam!) That is not jam. That is lard. (*Interjection and laughter*) But you know I have always been very honest with Sir Peter. He is a man who enjoys my respect. I do not consider him the greatest Gibraltarian politician of all time, let's face it, but let's face it, he stood there yesterday, in all honesty, and flatly contradicted every theory that has been advanced by his successor, as
 165 Leader of the GSD, and which had been the basis of his intervention on Monday in his reply to me and had been the basis of this, no doubt, expensive exercise in an attempted public relations. But I am very grateful to the man that the Leader of the Opposition describes as the greatest Gibraltarian politician of all time because if he wants to take steps towards that accolade being real, then telling the truth in this House is obviously one of them and not allowing this mendacious attempt at misleading the people of Gibraltar that appeared in one of our newspapers yesterday to prevail, is an important way forward.

170 But there is another aspect of what the Hon. the Leader of the Opposition said and that his Deputy repeated not just in this House, I think even outside it, about the level of debt today and how high it is. Why should I reply to that? Why should I sit down and write a paragraph that deals with that issue and explains it, Mr Speaker? It is an important issue, but should I sit down and think of a form of words to use to explain actually where we are? I do not need to, because Sir Peter was very clear yesterday in what he said about that. He said, talking about the level of debt today:

180 '... let us be clear. I think the level of net public debt remains, even increased as they have been, well within the levels that are prudent in macro-economic terms by any European standard. So I am not saying any of this'

– talking about the dispute between him and me at the Election –

185 'to criticise the level of public debt. They are the level, or perhaps lower for all I know, than they would have been had we been in office...'

So do I need to say to hon. Members opposite there is no issue with the level at which net debt is today or will they take it from what – he will allow me to say, in the fondest possible terms – the horse's mouth? I assume that he will want to go back, and where the advert talks about 'net debt higher than ever', he may want to add, 'but greatest Gibraltarian of all time says it is okay', because he prays him in aid whenever he
 190 thinks he is wobbling in the leadership of the party, so he might want to pray him in aid on this argument too. So obviously now, not so firm on the issue of net debt, the Hon. the Leader of the Opposition wanted to continue with what he has been spinning outside of this House as the big issue that he obviously wants to fight the next Election on, because he seems to be fighting an Election every single day, which is the huge increases in recurrent expenditure. Why he does that to himself, Mr Speaker, I just do not know.

195 I have spent a good hour... I do not like to speak for two and a half hours in a Budget debate... you know, I leave that to the man who he thinks is the greatest Gibraltarian politician of all time. I would rather do short addresses, but I had to do it because he had been goading me on recurrent expenditure, so I gave him the benefit of the analysis of where the recurrent expenditure increases came from. I demonstrated to him that *their* increases in expenditure with their continuing cost were responsible for about 45% or so of the increases in recurrent expenditure. Then I demonstrated that another 40% or 45% were the things which are at large –the market forces, the diesel fuel, the cost of the scholarships etc – and I therefore had demonstrated to him that in the amounts of the increase, if it was £20 million in one year, if it was £15 million in one year, GSLP Liberal spending represented 10%. Two million in the context of £20 million. I am sorry to do this exercise for him, but I am left with the impression that they cannot count. Two
 200 million in the context of £20 million, £1.9 million in the context of £19 million, and therefore in the context of a budget, which might be £440 million, 1% of the budget... even less.

205 You see, Mr Speaker, to continue to then get up and say the problem with this Budget is the increase in recurrent expenditure is either to say to him, 'Look, do not bother addressing me on any subject because I am going to be a brick wall just because I think it is more useful to attack you on recurrent expenditure' or to say 'I have got a different analysis', but he does not make the analysis, Mr Speaker. He then talks about the size of the increase in cash terms, but does not descend to particulars. He does not analyse what those millions are for. He does not look at the amount that is diesel, the amount that is students, and therefore the only other conclusion that one can make is that he is saying he would cut it. So if he is not interested in looking at what the increase is and saying, 'Well, fair enough. We gave those pay rises. I understand that is
 215 the £15 million. Fair enough, that £30 million is diesel fuel. We were wrong to contract for another diesel powered station, but you are going to get us out of it because you have gone for gas.' It is criticising the £66 million increase. What is he saying? We are going to cut the electricity for three hours a day to burn less diesel. We are going to send a third of our students to London instead of all of them. We are going to cut back public sector pay. We are going to sack a third of the public servants. Which is it? He needs to tell me
 220 which it is. Which part of the increase would he not have done? Or is he simply going to go into the next

Election saying, ‘We are going to stop recurrent expenditure from rising even beyond inflation?’ Inflation is 2%. There is £2 million of some budgetary increases. He has got to stick his colours to a mast. I know that he is used to going from mast to mast – GSLP, Labour... GSD. What is left? There are not many masts out there. But on issues, and on arguments, if he wants to have the argument, he has got to stick his colours to something. What would he cut?

We were responsible for 10% of the increase. He says it is £100 million. Well, look, I was working with a different figure, but let us work with the figure of £100 million. We were responsible for 10%. They were responsible for 90%. Okay. They... or the market forces were responsible for 90%. Will they cut the market forces bit out? Would they cut back on the things they did? Is he saying... look, he says it all the time. He criticises Sir Peter all the time for things he used to do in Government, which I do now, and he sometimes criticises me and therefore is criticising him. Is he saying he was wrong to increase public sector pay by 2.7%, 2.9% and 2.5%? If that was wrong, you have saved £15 million. I assume he would also say that I was wrong to raise it 2.5%. Fair enough, it is a belt-tightening argument. He gets up and he says to all public workers in Gibraltar, ‘We are going back to your salaries where they were in 2010. It was wrong to go to parity plus. We stick with parity, the 1% increase, and we are saving £15 million for our community’, an argument which I do not share; but if he thinks it has to be made, he must make it... £15 million out of £100 million.

Another £30 million, the cost of the diesel... ‘Ladies and gentlemen, people of Gibraltar, tonight as from midnight there will be no electricity until tomorrow at six o’clock in the morning. Do not worry, you will be able to heat your boilers and feed your children because it will only be for the six hours in the evening that there is no electricity’. He might find that John Cortes agrees with him, you never know. *(Laughter)* It is a quarter of the day, six hours. It is an argument, so he might save an important part of the £30 million.

‘My dear students, we cannot send you all, as the costs are too high. It is now £12 million. The increase is £6 million. We are going to send x number. You have to compete’. I would have respect for that position, but I would not share it. I would say to people, we can run this economy, because in the same way as we have the highest recurring expenditure in history, something I will remind Mr Bossino of, he forgot to say we also have the highest recurrent revenue in history. Right? We can run this economy, but we need to stop making the mistakes they were making. We need to replace the diesel with gas, which is cheaper, and we need to do other things, but we do not just say we are going to stop the recurrent expenditure.

Anyway, he must think, Mr Speaker – the Leader of the Opposition – that people cannot add up, that they are not doing this exercise, because it is all very nice to be told that you are spending too much. It sounds good the first time. We might all think, ‘Oh, careful, I might be spending too much’, but when you are told every day you have to say, ‘What should I spend less on?’, and if they were not the Opposition, if they were the Government, what would they be spending less on? Well, the Holy Grail, the oracle has said he would be spending more. That he would have changed the debt ceiling and gone for more spending. Well, look, I do not necessarily disagree with him. We are doing it in a different way, but we agree that we have to continue spending for growth. It has worked for this community within prudent levels and we still run surpluses. But what are they saying? If he makes the argument on recurrent expenditure, even he must realise he cannot get away without saying where he would cut the expenditure. He nods, but he never answers. He got up and he delivered a speech that criticised the expenditure, but he did not say what he would cut. So he is a critic, Mr Speaker, but he is not answering his own question.

Anyway, the other thing that the advertisement says that we lied about was the fact that there was only £2 million left in the kitty. You see, of course, Mr Speaker, that is not something that we said at the Election. The advertisement says that we said at the Election that the borrowing limits had been reached – well, we more or less said that and two and half years later Sir Peter Caruana has admitted it – and that we said there were £2 million left in the kitty. We did not say that at the Election. We did not know that at the Election.

The Hon. the ex-Deputy Chief Minister, the Leader of the PDP, Keith Azopardi, and I found out... I do not know whether it was on the Leaders’ debate or on one of the questions and answers at the Mackintosh Hall *(Interjection)* Oh, was it the Leaders’ debate. I have tried to block it out. *(Laughter and interjection)* The Hon. the then leader of... the Hon. then the Chief Minister told the community that the debt was £520 million. It was not £450 million or £480 million any more. and it was four days later, on 13th December, that I received what I have already referred to him in shorthand, so that he does not forget it, because it appears that he has problems with retention and that is why I give names to things, so that he remembers... the ‘doomsday memo’, which tells me not that I am going to have £2 million left in April. I am left to work that out myself. It tells me that there is £60 million left and three and a half months to go *y la paga de Pascua por salir*.

Right, so, let us be clear. We did not know that there were £2 million left in the kitty at the time of the Election. We found out four days after the Election; but if he says it is not true, he should have the decency of making clear that the people that we are saying are misleading the public are the people who misled their

Government, the people in the Treasury. I do not think anybody in politics in Gibraltar before has ever suggested that the people in the Treasury mislead the public or their Government, another little thing in the memo, in the advert, which is now demonstrated to be true by an empirical objective measure. I do not
 285 know whether he has got the doomsday memo still from last year. I remind him that it is attached to the printed version of my speech he can find on the website so I do not have to read it to him today. No, the memo; not the advert. I assume everybody has got the advert. Most fish and chips salesman are making very good use of it today and I would very much look forward to receiving my churros on Saturday wrapped in it. But I mean the memo. The thing that *matters*. The thing from the Treasury, not yesterday's
 290 newspaper from him. I mean the memo from the Treasury. He can look at it online because a little bit of thought might actually help him with a better argument for next year, instead of just this argument about a lie, because you see the *lie* is not put on the lips of the politician; it is put on the lips of the official and that is absolutely unfair.

I am very sorry to see that people who have served their Government very loyally and served this
 295 Government very loyally, regardless of the partisan colour of it, have to suffer being called liars in advertisements in newspapers and in the political discourse. They do not deserve it, because even the greatest politician, Gibraltarian politician of all time has now admitted that there was a need to go for more borrowing, that there was no money left in the kitty because we were reaching the limit. I think if they had to choose, if the public had to choose between the Financial Secretary, the Chief Minister of Gibraltar and
 300 the ex-Chief Minister of Gibraltar on one side and the current Leader of the Opposition, Daniel Feetham, on the other as to who they believe, the people of Gibraltar are not going to take very long to make up their minds.

But another thing that he said, really riding into it, despite the many warnings in my opening speech, was that the Government that he was part of was very good at sticking to budgets and that we were very bad
 305 at sticking to budgets and we really had to get some budgetary discipline. Well, Mr Speaker, the fascinating thing about numbers is that they do not lie, as Joe Bossano often says to me. In the 16 years that they were in office, they managed to overspend on departmental expenditure, not £1 million, not £2 million – these are not my numbers, these are the Treasury's... they managed to overspend by £158,289,000.686. I will do it later on in another context, but I did not have the soul to divide that by £120,000 and tell the community
 310 how many doctors they could have had for that. (*Interjections*) (*Banging on desks*) I think it is something like a thousand and some left over. It is incredible... £158 million in their last year in office. The glorious 15th or 16th, they overspent by £24 million. If they would have had another month, they would have won the Election. Even I would have voted for them if he had turned up at my house with his cheque book. (*Laughter*) For goodness sake, £24 million of overspend. *Ni se compra, ni se vende, el pueblo, decian.*
 315 (*Laughter*) £24 million; £13,700,000 the year before; £11,300,000 the year before; £12,400,000 the year before that; £14,400,000 the year before that; £7,700,000 the year before that; £8 million the year before that; £11,100,000 the year before that – of course the year of the Election; £650,000,000 the year before that; £9,700,000 the year before that; £6,500,000 the year before that; £12,000,000 the year of the Election before that; £4,300,000 the year before that; £3,500,000 the year before that; £2,500,000 the year before
 320 that; and £9,600,000 the year after the first Election.

Discipline in departmental spending, and this is a Government of which he was a member. Well, I mean, it is Danny. He was a member in the last four years, a supporter for the three before, an opponent for the three before that in his own party, and a hostile aggressor against it for the first four years. So it is not
 325 fair to say that he was a member of it. He was only a member of it for four years and we do not know of those four whether he was a supporter of it for much of them, but anyway, never mind. One of the things that he does is he accuses me of being a huge over-spender in No. 6 Convent Place. Well, fascinatingly, one of the things in the advert is that No. 6 expenditure is 93 % higher than any other Department and there is a 67% increase in staff at Convent Place. Well, I do not know where he has worked that out. Maybe it is because in my ministerial responsibility I took IT, that added 20, and we employed nine in the EUID. Does
 330 he not understand that as portfolios move around, people are accounted for in different places? Even he must understand that, so it must be a mendacious attempt at presenting things in a way that he thinks is going to go his way. But let us look at this terrible Chief Minister, this terrible Chief Minister who is overspending in 6 Convent Place. What is the overspending in 6 Convent Place that the terrible Chief Minister is doing? Let us not just look at the numbers, let us see what the numbers mean.

Private sector legal fees are up from £50,000 to £200,000. Look, it depends on what needs to be drafted.
 335 Communication information expenses are up from £975,000 to £1.8 million. Private sector legal fees are up from £250,000 to £780,000. Government lobbying, hospitality and travel is up from £300,000 to £1.17 million. Sundry grants are up from £300,000 estimate with a forecast out-turn of £215,000 actually to £5.15 million. Oh hang on, that is 2003-04. (*Laughter*) And 2003... 2002, private sector legal fees up from
 340 £50,000 to £382,000; communication and information expenses up from £192,000 to £975,000; a budget of £6,700,000 went up to £12.6 million. It was not me. It was the oracle, the greatest Gibraltarian politician of all time admittedly, *admittedly* at the time of joint sovereignty... admittedly, and admittedly costs of No. 6

have gone up at the time of renewed hostility by Spain – absolutely true. But look, it is the same sort of increase, almost identical, but over 10 years later.

345 Before we look at the detail of that, we will talk about the numbers of people employed in Convent Place, well look that is just an adjustment of people moving from Department to Department depending on the change of ministerial portfolios. But given that he has opened the can of worms, I am very happy to report to the House that the information I had, which only went back to 2003 in respect of public sector employees, excluding the MOD, I now have back to 1998. So if the House will recall that I said on Monday
350 that in the Employment Survey, which is the October survey, in 2003 there were 2,938 people, excluding the MOD, in the public sector and that that went up – I will not bore you with all the other details – it went up to 4,804 when we took over in the payroll in December 2011, an increase from 2003 to 2011 – less than ten years – in eight years, of 1,866 people in the public sector under the GSD. That is an increase of just under 40% in the size of the public sector.

355 I now have the figure for 1998, which was 2,857. The increase in the public sector between 1998 and December 2011 was from 2,857 to 4,804. I do not think hon. Members should be visiting at our door any huge concern about more people at Convent Place because the portfolios have been distributed in a different way. This is not recruitment into one Department or other. This is a huge change – 68% almost. So even accounting for the fact, as I told the House on Monday, that we took on people from the MOD and sell
360 services to the MOD, as a result, but it is not a zero sum game, we lose a bit in the interim, there is a huge increase in the public sector. Can they please explain to me how they can be concerned about a few more people at Convent Place if they have supported this huge increase? Not all of it is MOD... not all of it. So I assume that the criticisms are levelled at me today by the advert and straight back at you, Sir Peter, given the increases that we can show.

365 But then he says, ‘You don’t just overspend on recurrent expenditure, Chief Minister, you are terrible. You overspend on capital projects’. Vanity projects, they call them... *vanity* projects. We are spending on vanity projects and overspending. Well, Mr Speaker, I do think there is something going on and I have not quite worked it out. I think one of them – I still do not know who – is probably the most Machiavellian politician that this planet, let alone this nation, has ever seen, because why would it be in their interest to
370 draw me back to one of my other favourite Election issues, which was the cost of the Airport? Approach of that went from announcement in all splendour – I still have the *Chronicle* at home, I keep it with my rosette – at £25 million to be partly funded by the European Union to £84 million entirely funded by the people of Gibraltar, and actually, as the hon. the backbencher said, entirely useless because the other side have failed – entirely useless for the reason why it was built there – have failed to deliver on their part of the bargain. Very nice it is too. No, this is not an architectural competition. But look, if at £84 million, you did at least
375 produce something that looked fairly alright. So be it. But anybody would have got sacked for that overspend, and he did. The CEO of Gibraltar PLC was *fired* for a 236% increase in price on what he used to describe as one of Gibraltar’s ‘flagship projects’. So much for the over spenders; but it would be unfair on the now Leader of the Opposition to visit that on him, because I am sure that whilst the then Chief Minister was beavering away to ensure that that Airport was completed in time for the Election, he was beavering
380 away to see whether he could take the leadership of the party just before the Election in time to try and win it. And the Hon. Mr Bossino said to us, which I will come to in a little while, that he does not want to hear about Montiel or Caruana anymore, it is a new team. (*Laughter*) So let us look at the new team.

385 What about the new Prison? I know the hon. Gentleman was not allowed to do many projects that involved spending of cash whilst he was Minister for Justice, but the new Prison and the new Courts were things that he had issues with the plaques over. I know that there was a swift changing of plaque at the Prison as to who opened it and did not open it, and there was a huge malaise for days over the fact that the Hon. the now Minister for Justice has his name on the plaque in the Courts and not him. But anyway, let us look just at the finances.

390 New Prison... because he was not in charge of the Airport, he was in charge of this. The original contract sum for the Prison £5.2 million; an extra floor £0.45 million; prolongation costs £0.94 million; final costs *que tardó más tiempo* £8.1 million. A £3.1 million overspend. A 55% overspend. Well look, I accept that projects are overspent on. We all know they are, but do not make a virtue of things being in on budget, when even you have been presiding over a 55% overspend. Say, ‘things cost more than you usually
395 expect them to cost’. There is the *po ya que esta* aspect to any project. Okay, we understand that, but do not pretend that your virtue is that you will not ever overspend.

400 And then, Mr Speaker, if that is just an anecdotal example, let us look at the Courts. That project, which incidentally nobody ever described as a vanity project. Nobody describes the Courts as a vanity project. Nobody describes the Prison as a vanity project, but the seat of Government is a vanity project or a park in the centre of our city, which thousands of our people already use, is a vanity project. These are not vanity projects. Maybe they were just ‘vanity plaques’ that he was going to put up on the wall to describe himself as the person who opened them. Those were £7.5 million original cost. The final cost... there was a lot of talk about Mr Bossano being upset at overspending and that is why he was not here, so I do not know

whether I want to put him through this, but the final cost was 82% overrun – 82% over run. He is *tranquilo* now because you are no longer here to commit this sort of overspend. (*Laughter*)

Oh, there is nothing wrong with an overspend if there is a problem and it has to happen, but do not pretend that you do not ever overspend and we are overspending and how in control you would have been, because to do the exercise that the hon. Lady wanted to do, the overspend of the £9.3 million on the Prison and the Courts together, at £120,000 a year, £130,000 a year, is 72 doctors (*Interjections*) Mr Minister for Health. It is a nonsensical calculation. It does not make any sense whatsoever. It is one year's pay for those doctors. You could have them for one year and then get rid of them, or you could have five for a lifetime; but the hon. Lady does a calculation which is meaningless, which is to divide by the one year's salary the amounts that she wants to divide. Well, her present leader – because I do see him in that in perfect tense – would have been responsible for 72 doctors, if he had not overspent. For a year, we could have had GPs everywhere if he had not overspent, based on her calculations; but never let a detail or a fact like that get in the way of a good sound bite.

And then the Hon. the Leader of the Opposition describes No. 6 Convent Place as a Venetian palace. Well, I entirely agree with him. I entirely agree with him. When I walked in there, Mr Speaker, with the Hon. the Deputy Chief Minister, the day after the Election, we found ourselves in a Venetian palace with terracotta walls and blue and yellow curtains and chandeliers from across the seas. Look, everyone has their own tastes. Venetian palaces are *not* for me. Blue and yellow curtains are not for me. There was a refurbishment of this office of the Chief Minister of Gibraltar into office of the Venetian prince sometime in the Financial Year 2001-02. It was literally a refurbishment... a redecoration. Not one square metre of extra office space was added. It was just, you know, a paint job, lift, new curtains and the odd chandelier. The costs of that redecoration were in excess of £1 million 10 years ago... 12 years ago. That does not include the paintings which the hon. Gentleman bought in the United Kingdom of Naval scenes involving Gibraltar and, in particular, the Battle of Trafalgar, which hangs in his room, which cost in excess of £100,000... a £100,000. We could have hung a doctor on the wall for a year. (*Laughter and banging on desks*) That would have been good for the blood pressure of the incumbent in the room. (*Laughter*) Doing the calculations that the hon. Lady... That painting no longer hangs in the Chief Minister's office and I will say to the Hon. my predecessor as Chief Minister, I think it is right that paintings like that should be bought and repatriated to Gibraltar. I just do not think that they should hang in the Chief Minister's office where *only* the Chief Minister sees them. I am much more modern and more technical. I prefer television so I can watch PMQs or anything that may be happening. That painting is now exhibited publically, I understand, in the museum so that people can see it. It is no criticism of the fact that an important painting about Trafalgar was brought home to Gibraltar, but the overall cost of the palace, as it was when Dr Garcia and I walk in there for our first cup of tea, £1.15 million.

The costs of turning it into a modern office, which will be the Head of the Administration of Gibraltar, the Office of the Chief Secretary or the Deputy Chief Minister and of the Chief Minister, where investors from around the world will be received and see the modern face of a thrusting Gibraltar – £4 million. Yes, £4 million, but we are actually going to add three times the floor space. We are not going to spend £4 million painting terracotta, adding a few chandeliers and a few curtains. By the way, I have got the cost of each chandelier and of each piece of carpet and of each curtain here. Some of it from John Lewis and some of it bought locally. We are going to add three times the office space to that office to turn it from a Venetian palace into a modern office building where civil servants will be proud to do their work... and without the damp, everybody who has ever worked in that building will be happy to know.

Anyway, I do not know what it is that makes him think that people who work in the Law Courts should have a modern office environment in which to work, but people who work in the Office of the Chief Minister should not have a modern environment to work in. I happen to think every civil servant should have a modern environment in which to work and that that could make actually the real estate of the Government of Gibraltar work much better for the Government of Gibraltar; but more of that anon.

One of the things he wanted to concentrate on and the advert plays a lot on, is this idea of travelling like a president, because of course in the simplistic analysis the overrun in the cost of travel is, 'Fabian spending an extra million in the way that he crosses the Atlantic'. I do not think there is a suite expensive enough on any aircraft to cost us that much. So they might have wanted to do a little bit more analysis.

Ninety three per cent *higher* than all other Departments are the costs of Convent Place. Well, protocol, entertainment and travelling, he said this in his speech, Mr Speaker:

'Travel entertainment was an item that I focussed on last year. The estimated figure was £390,000. The actual was £1.3 million or a massive 287% over budget, Mr Speaker.'

Two hundred and eighty seven per cent, is that not what the Airport overrun was? But that was in millions, not in hundreds of thousands. Well, Mr Speaker, not all of it is travel, it includes lobbying and we have had a rather difficult neighbour for the past year, he may have noticed, quite like in 2002-03. In fact,

465 the overspend there was almost exactly the same and the budget was almost exactly the same, because the budget has been £390,000 for the past 10 years, a very good reason to up the budget I would have thought because it has been the same for 10 years (*Laughter*) and there are times when it needs to be exceeded.

The Hon. the Chief Minister, the previous Chief Minister spent more in 2002-03 than I have spent this year; but he was the Chief Minister. He was the incumbent and he had to make the decisions about how, if
470 necessary, to spend money in order to steer us through that very difficult period of joint sovereignty, and I have had to make similar decisions now about where to travel to, where to send people to, where to lobby. As the incumbent, I accept that that money has been spent, but I expect people to realise in the short, medium and long term whether it has been spent for the right purpose, otherwise, hon. Members may simply find themselves, if they do not accept that, arguing with the identity of the person who makes those
475 decisions, because they themselves have said as part of their political discourse, that this is the worst year Gibraltar has had since the closed Frontier.

The Hon. Mr Bossino called it despicable, the attitude of Spain. If I had said that... my God, they would have all been on their feet asking me to be more measured and reasonable. I will come to that later on. But if it is just that it is Fabian Picardo making the decisions and not Peter Caruana that makes you wonder or
480 argue against that overspend, then your arguments need to be a little bit more refined. The Chief Minister of Gibraltar has to make decisions in difficult times to spend more, and history will judge whether I have made the right decision or not. I am very hopeful that it will demonstrate that the Deputy Chief Minister, I and the rest of the Cabinet have made the right decisions about extra spending this year because of what has been happening, and I think that we will see *impressive* benefits... not just benefits, *impressive* benefits very
485 shortly for all our people at a political and a commercial level as a result. I do not need to say, of course, that criticism of an overspend like that, which is almost identical to the overspend in 2003-04 or 2002-03, is as much as a slap on me, if it is just the overspend that has been criticised as it was, or would have been on Sir Peter.

But, anyway, I should not be surprised if that is what they were saying because one of the things that
490 they have been constantly repeating for the past six months or a year is that in the past two years, they have transformed the GSD. Well, there is good reason to take that badly if I were the greatest living Gibraltarian politician of all time and I had been leading the GSD as, if I may say so, an Election winning machine for 16 years and then somebody comes along and says, 'Guess what? I have transformed it'. 'Well, good luck. Into what?' 'We will see'. But I guess one has got used to the new leadership of the party and even some of
495 those who used to be in the party before criticising what the party used to do.

Anyway, I want to thank Mr Figueras, in part, whilst I continue dealing with the Leader of the Opposition, for at least having been very clear in expressing the position of the GSD in relation to the Commonwealth Park. He said in his speech, 'the Commonwealth Park is a vanity project.' The Collins dictionary defines a 'vanity project' as something that is worthless or useless. I do not think that anybody in
500 this community, other than perhaps six of the seven people that I am looking at, think the Commonwealth Park is worthless or useless, or that the refurbishment of No. 6 Convent Place when it is finished will be worthless or useless. I certainly do not think the Airport is worthless or useless. I think it is too big, it has cost too much and we will never get our money back; but it is not worthless. It has got a value. A valuer will come and give it a value and it is not useless. People can at least shelter from the rain in it whilst they
505 wait for aircraft. But to describe for the first time a green open area in the centre of our city that our whole community has welcomed with open arms, is to have reached a level of political honesty that the others have not been brave enough to reach, which I will remind the community of for the next two years every time somebody asks me about whether or not the GSD support Commonwealth Park, whether the GSD would have built Commonwealth Park. They would not. It is a worthless or useless project and it would still
510 be a car park, or somebody might have broken ground with a development there. For us, it was neither worthless nor useless. I will be very interested to see how Members opposite vote on the Commonwealth Park Bill when it comes to the House, given that what we are going to try to protect with that Bill is a worthless and useless park. It was a manifesto commitment. We are doing what we are required to do. Our attitude to our manifesto is that it is an instruction from the population. They have voted that to be done.
515 They do not elect us on a manifesto for us to go off and do what we like. They elect us on the manifesto to do what it says on the tin. It may not have two levels of car parking under it, but it has got the trees and the grass. Anyway, we delivered it.

I do not want to labour the point, but the Hon. the Leader of the Opposition then went on to talk about the level of public debt. He said net debt is bigger than ever, but as Sir Peter said, and this is a direct quote:

520 '... the net public debt as a proportion of GDP is within every known bound of prudential limit.'

The greatest Gibraltarian of all time.

525 So having disposed of his arguments on the level of debt, having disposed of his arguments with the issue of recurrent expenditure, having analysed how that arises, having demonstrated it is principally

market forces and their spending and having heard yesterday the man that the Leader of the Opposition describes as the greatest living Gibraltarian of all time, or the greatest politician of all time, and his attitude to import duties and the revenue from tobacco, where he and I are in full agreement, as I think, he, I and at least all the Members on *this* side of the House are in full agreement, I do not think I need to deal with the Hon. the Leader of the Opposition's attempt to use this as an issue to concern people. So there are really only two 'bits', if I can call them that, of his speech and therefore of the advert that he was wedded to, that I need to deal with, and one of them is Credit Finance.

Mr Speaker, let us start at the beginning on Credit Finance. He said something to GBC when he got out of here that he did not say here. I guess it is because he thinks I am too busy to watch him on the news; but although it is not pleasant, I do try to. I do understand why GBC say that *Newswatch* is one of their highest pullers as a programme because I guess its 69% of our population tuning in to watch him drop a new clanger. Asked by the interviewer: 'Now, the use of the Savings Bank, which you have been very critical about in the past... but £800 million of deposits this year. Is this not an indication that people have a very high level of confidence in the Savings Bank?' Response from the Leader of the Opposition, who could not accept it was confidence because otherwise two years of trying to undermine confidence in the Savings Bank would have been evaporated in a puff... Response from the Leader of the Opposition: 'Well, what I think it suggests is that the Gibraltar Savings Bank is paying a rate of interest for its debentures, which is far higher than the market rate'. I can sense the greatest Gibraltarian politician of all time flinching. (*Interjection and laughter*) *No te voy a dejar. No te voy a dejar, no te voy a dejar*] Do not worry. I do not think it is going to stick.

Interest rates by the Gibraltar Savings Bank: 2005 – 7%; 2005 – 5%; Government debentures, 2011 – 4.25 %. My goodness, I thought Government's borrowed for less than that... 4%. 1st January 2011, interest rate – 5%. I really do not know whether he calls you the greatest Gibraltarian of all time because all he wants to do is smack you about with these arguments. The interest rate that was thought appropriate by the Government of which he was a member is now too high and the only reason why people have confidence in the Savings Bank. Of course it is not. People have confidence in the Savings Bank because they have absolutely no confidence in anything he says to try and undermine it. That is why it has gone from £300 million to £800 million (*Banging on desks*) paying the same rate of interest that was paid on the Government debenture. It demonstrates that the things he says do not add up. If there was one thing that brought a smile to my face about the fish and chip wrapper, it was the bit on Credit Finance Company, because it is either an attempt to dupe of the sort that we have never seen in Gibraltar politics – i.e. a downright lie in the newspaper – or such a *clanger* that it does not actually benefit somebody who, as Leader of the Opposition, must be seeking to hold the highest political office in this land. If he has it, and I am sure he does, he needs to look at the bit on CFC, £400 million to CFC, and then an addition a *cuenta de la vieja*: £30 million – Sunborn; £1 million of loans facilitating GOG arrears. I do not know how they misspelt that one, 'facilitatlong' GOG arrears. I do not know. It is not English. It must be a discrete accounting term, f-a-c-i-t-i-l-a-t-i-o-n-g GOG arrears. I really do not know what that means... £23 million pension commutations; £50 million loans. Total – £356 million.

Well, first of all, as he must know, because I have explained it to him *ad nauseam*, they have put in separately the lump sum of £50 million of the loans. Obvious and pernicious double accounting. Obviously and perniciously double accounting, inflating the amounts that have been lent by Credit Finance, flattering their argument by £50 million. I guess because it is such an unsustainable argument, you will now find something to support it. But he knows the figure of the loans is not £80 million; it is the £50 million. He has had it from us. It is below £50 million in fact, I think. But if you add it up, Mr Speaker, 30 + 1 + 23 + 50 – and you are the maths tutor, not me – is 104. Take 104 away from 400, it is the wrong calculation. It is the wrong calculation, but it is their calculation. It is not 356.

Mr Speaker, if the Clerk could assist, we have been exchanging details in respect of Credit Finance for some time and I am not sure that he has it, I am passing to the hon. Gentleman something that may assist him in these arguments that we repeatedly have about Credit Finance, about whether things are on the website and what the calculations are, etc, etc, because it really is quite improper that he has put this information in front of the Gibraltarians, which is so dreadfully wrong. Most of them can add up and they would have realised that this is wrong. But I hope that what I am passing him now will be of assistance when he wants to do this calculation again. (*Interjection*) Not at all, but it is, Mr Speaker, so that he can...it is a calculator Mr Speaker, which I have bought myself (*Laughter and banging on desks*) not with Government money, with my own money, so that he can do his addition in time for next year's debate, so that when he puts this sort of thing in front of people, he can at least get the addition right. I have not even bought it with the surplus, Mr Speaker. I bought it with Picardo money. So I hope he takes it as it is intended, as an aid to his job as Leader of the Opposition.

Mr Speaker, we have agreed... I told the hon. the backbencher – as he seems to prefer to be called that these days (*Laughter*) – when he thought I had suggested that there was not an element of flattery of the Government accounts, that we had agreed that there was an element of flattery, but that the flattery was, as

we agreed, the element of the gratuity, but the pensions were still being paid and therefore it was not the amount of the commutations that were being paid. So if there is £23 million paid in commutations over two financial years, and we assume that has been paid relatively evenly in any year, 25% of that is approximately £3 million. It may even be less, but let us assume that the flattery of the accounts is £3 million. It is the only bit in the advert that they actually recognise as a Government expense – absolutely right. It is the only one that is a Government expense. So, £3million of flattery of the Government accounts in each financial year, the last one and this one, produces only £3 million less in the surplus. Still a record last year and still a huge record this year, busting even the record that was in the book, because from 65 – if he takes it out and puts 65 and then presses the bit that looks like a minus and 3, he will get 62... and what was predicted was 50. So still a record. So can he please go out of here and evangelise, not this nonsense, but that in fact *even* with Credit Finance factored in, we are still running record-breaking surpluses, and what they call the flattery of our accounts is so minor as to really have absolutely no effect whatsoever.

I hope I have demonstrated to the hon. Gentleman, the backbencher, because it is now my reference to him, not the other fellow's reference, so it is not the greatest politician of all time, it is the backbencher, that, we do answer questions about all Government companies, even Credit Finance, which they pretend we do not. We just do not give one specific detail, and he said, 'I would expect you to answer questions from companies about companies that you are directors of, etc, etc, which are Government wholly owned, but not the commercially sensitive aspects' and we have determined, on advice – which I am sure he would have if he was here – that giving the names of the borrowers is sensitive, and giving the names of the commutees is sensitive. That is the only thing that we are not giving, in the same way as we do not give other aspects of the information of Government companies which is in the commercially sensitive world. And sometimes it is not sensitive to the company; it is sensitive to the person that is dealing with the company. Other than that, Mr Speaker, my Government will answer questions in respect of any company which is a Government wholly-owned company, of which a Minister is a director or otherwise, and we have demonstrated that, Mr Speaker.

Mr Speaker, one of the things that the 'churro' paper does, is talk about affairs with Spain and rising tensions pointing to high risk. Well, the hon. Members have been developing in the past few months, the concept of the GSD way of doing things versus the GSLP/Liberal way of doing things. I assume that they have thrown Dr Garcia in with us on this and they are not just attacking me; but look, I am quite happy to leave him out. He does not deserve to be dragged into it. He has always been very straight forward and measured about these things and is absolutely clear on the fundamental issue of Spain.

So let us look at what the GSD way of doing things is on affairs with Spain, because ironically they seem to think it is their ace. The GSD way of doing things on affairs with Spain is going to Seville, to Forum Europa, and saying, 'Well, maybe one day in a referendum, I might be minded to recommend an Andorra-style solution'. The GSD way of doing things is not the GSLP/Liberal way of doing things. We will not be saying that. But, in fact, although there is video evidence of that, although it has been played in a number of our broadcasts, although there has been an element of denial, but everybody knows what the Hon. the previous Chief Minister said. In fact, one of the reasons why he cannot be described as the greatest Gibraltar of all time in my book, there is actually also *printed* evidence of what the GSD way of doing things is. Look, there is no problem with this being the GSD way of doing things, but it is the GSD way of doing things is what hon. Members are defending.

This is a magazine from the Basque Country, called *El Mes*, from the height of the joint sovereignty dispute in May 2002. I do not make it a habit of reading magazines from the Basque Country, but it was brought to my attention by a member of our community. The hon. Gentleman was then on a mission to explain the Gibraltar position in Spain and the GSD way of doing things is as follows – and Mr Speaker, with your indulgence, I am going to read this in Spanish and then translate it into English:

'Lo que pienso yo, es que España tendría que mimar un poco a los Gibraltareños hasta que nosotros digamos, bueno, la bandera Britanica la bajamos nosotros mismos.'

Peter Caruana, May 2002:

'What I think, is that Spain should woo the Gibraltarians a little bit until we say, "Oh well, the British flag will be brought down by us."'

The GSD way of doing things, is not the GSLP way of doing things. If that is the way of avoiding high risk, well, I am not going to be saying anything quite like that in Spain any time soon. I do not know whether it is the sort of thing the hon. Gentleman says in Universities up and down La Piel de Toro, but you know, I am not going to be saying it. I might have a slightly more hostile reception as a result.

But, look, Mr Speaker, that was the hon. the backbencher when he was Chief Minister, but when the hon. Gentleman himself broke his holiday in August and returned to Gibraltar on his white charger to come and assist us last August, he said that he did not rule out removing the Reef in North West BGTW as part of

650 a wider settlement in Gibraltar's national interest, if that safeguarded the security and stability of BGTW, however unlikely that appears to be. That is the GSD way of doing things, though this GSLP/Liberal Administration *ain't* removing the Reef. So they want to remove the Reef. They want to lower the British flag. They want to be *wooded* in order to be persuaded to do that, and they might one day recommend in a referendum an Andorra-style solution. That is the GSD way of doing things and I respect that that is their position. It is not ours. I will always seek to persuade them not to pursue that line. I will particularly seek to persuade the Hon. the current Leader of the Opposition to go back to his days when he was much more staunch on these issues and also Mr Bossino, so that they return to a staunch position where they will never be wooed into lowering British flags and they would even resile from the idea of removing the Reef in BGTW, because it was created for a good and sound environmental purpose, and if you do things for a good and sound purpose, you should not remove them for a bad reason based on blackmail.

660 And, you know, Mr Speaker, our way of doing things, about being very clear about what we think about the future of Gibraltar and the sovereignty of Gibraltar, being friendly about it, not aggressive, but not changing our position... friendly, but firm, because diplomacy, as I have said before, is not duplicity. You cannot go, in particular, in the social media world in which we live, there and say one thing and come here and say another. People, thank goodness, will see through you and so we are going to be very clear in our position, and one of the greatest criticisms that the hon. Gentleman has made of me, was that whilst he was sunning himself in Southern France, before he got on the white charger to come back to Gibraltar, I had said in an interview that the behaviour of the Spanish Government was like the behaviour of the North Korean Government. He has said repeatedly that this was terrible, that this was not measured, that this was totally unfair and that I should not have done that. Of course, I understand that, given what I have just done as an analysis of the GSD way of thinking that, you know, that is not the language they want to use – that is not 'Come and woo me so I can lower the Union Jack', that is standing your ground and telling it like it is.

665 So I assume that although he did not seek, it appears to me, to intervene with the Foreign Affairs Committee that was here and he has not thought it relevant to write to the Foreign Affairs Committee, even a letter asking them to support Gibraltar, because they have not exhibited it as evidence, I assume he will have read their Report and I assume he will now be writing to Sir Richard Ottaway telling him that you think it is absolutely terrible that in paragraph 72 and 73 of the Report, they have exhibited a chart and commented on the fact that the Spanish Ambassador has been summoned to the Foreign Office on *five* occasions, only one less than the Syrian Ambassador, and that they have compared that to the fact that the North Korean Ambassador has only been summoned three times. They are saying that Spain is worse than North Korea. How dare they? We will never persuade them to persuade us to lower the British flag if we carry on telling them the truth like this. So, Mr Speaker, I sincerely hope the hon. Gentleman is scribbling away. Put the calculator to one side and I will lend him a pen if he needs one and tell the Foreign Affairs Committee that this business of the North Koreans is not helping at all.

680 One of the things that they have been doing for the past few weeks is criticising the appointment that we have made in Hong Kong, and the hon. Gentleman has been very vocal about this issue, giving interviews to GBC etc, etc. He said, 'You know, this packet must be worth over £¼ million and this man has been appointed without interview'. Mr Speaker, I tell him because he may want to find out himself. Does he know how many people his Government appointed without interview and competition, who earned more than £¼ million? I do. Three. I think two of them do an excellent job. They were appointed by them. They are excellent professionals and they do an excellent job, but there was no interview and they earn in excess of £¼ million. They are excellent value for money. I think one of them is worth at least three and a half doctors.

685 Another one was Mr Benzaquen. A member of their Executive, who went from earning £60,000 to earning £250,000 almost overnight in fees, I mean even the backbencher is frowning at the thought, but that is the forecast out-turn. He was very busy. He had a lot to write in that newspaper. From £60,000 to £250,000. No interview and a member of the Executive of the GSD. Two hundred and fifty thousand pounds to a member of their own Executive. Well, I think that helps to put their criticisms into context. I do not criticise the other two appointments. I think they were appointments properly done, as I said in the last meeting of the House. Some appointments have to be done in that way, if they are the right appointment and it is the right individual, and they were and they are because they are still serving; but the other one, a member of the Executive, my goodness gracious... we will come to cronyism a little bit later, but this really takes not just the biscuit, the digestive, the chocolate on it, and the whole box that I would be eating if I was not on a diet. (*Laughter*)

700 And, in any event, Mr Speaker, when they criticise things, they have to say also in relation to capital projects, what they would have done instead or what they would not be doing. So every time they criticise what we are doing, can they please say that they would not do it?

705 So, Laguna Estate: refurbishment too expensive. Go down to Laguna Estate and say you will stop it. Glacis Estate: refurbishment too expensive. Go to Glacis Estate and say you will stop it. You know there is nobody there who votes for you. Moorish Castle Estate, tell them you will never refurbish the Estate,

710 because they will never vote for you. Tell them because you say that it is too expensive and you must therefore be saying you would not do it. Or tell everybody who is going to have one of those boats at the 700-berth Marina that you are not going to be doing the Marina.

We have acquired these commitments and we are going to see them through. Should something happen, and an Election have to occur, and you know, you cannot take Elections for granted, as I will come on to
715 Mr Figueras, and you were to form Government, people need to know which of the projects you will stop, especially knowing that the hon. the backbencher has said that you can continue spending in the way that you would like, which is with more debt. So you have got the money, but you criticise all the projects. So what is it you are going to do? You are going to go back to giving Raf another £¼ million a year? So you might not be able to do one of the blocks at Laguna or Glacis? What are you going to stop? Are you going
720 to stop the two new schools? Those are almost done, thank goodness, and might be away from your prying attempts to stop things. Are you going to stop the New Diesel Power Station? Are you going to carry on spending £30 million on diesel? Are you going to tell Main Street that in order to do so, you are going to put their electricity up by 100%, which in cumulative terms will be 200% or 300%? Stand up and say so. Stand for something man. That is the GSLP/Liberal way. You must still have some of that in you? But do
725 not just say, 'This is too expensive and I wouldn't do it', or say, rather, 'I won't do it. I'll stop it. It's too much money'. We did it. We stand for something.

We were elected on 9th December and in the first Cabinet meeting, which was the first working Monday thereafter, we stopped every single Government project going – every single one of them. We have a manifesto to deliver. *Our* manifesto to deliver; not yours. But look, you have got the cladding in your
730 manifesto and so every time you criticise it and say it is too expensive, can somebody please tell me whether you actually intended to do it or whether your manifesto this time and the cladding of Laguna and Glacis, was just as the hon. the backbencher said to Gerard Teuma in the interview before the Election, 'Well, it's just a wish list of what we might do'. That is a transcript I treasure by the way. A manifesto for the GSD, in the GSD way of doing things, is a *wish list*. For the GSLP/Liberals, in our way of doing things,
735 it is an *obligation*. That is what we have been elected to do. It is a *covenant* with the people. So, please tell us, which of the revenue raisers, or of the current expenditure raisers or capital projects you would stop. Do not just sit there and say, 'It's too expensive', say 'I'll stop it, because it's too expensive', or 'It's so expensive, but it has to be done'. Much of what the hon. Gentleman said was just... you know, it is too expensive. No analysis. He might as well just... Next year, why does he not just get up, if he is still there,
740 and say, 'Bah, humbug!' and sit down and then we can just carry on with the debate. If he is not going to make any analysis and he is just going to say, 'Oh, it's too expensive', then just say 'Bah, humbug!'

Anyway, I am very sorry that they only got one week's notice of a dinner. I sometimes only get 24 hours; but, you know, I put country before party and off I go. You know, if they like, they can just tell me that I should stop inviting them, but I was very critical of the previous Administration for not inviting
745 Members of the Opposition to events and therefore they get invited. By the way, it adds to the recurrent expenditure, but they are invited. If they have a party event on, do both of them have to go to party events? Is there such distrust between, Leader and Deputy Leader, that when we have an important American Chamber of Commerce event in Gibraltar, with an ex-Cabinet Member of the Obama Administration in Gibraltar – you know, months out of the Administration and very influential – neither of them can come
750 because they have to go to a GSD event a week later. I only had one week's notice. Talk about party before country or, you know, 'I can't trust the other fellow, not to knife me with all the members if I am not there to watch him'. Look, I shall try and organise Gibraltar's affairs so that it does not clash with GSD events until they have sorted themselves out or they can decide to put country before party next time. Maybe that would be a salutary change, the beginning of the transformation which the community might welcome.

We have also had inflicted on us in the past month the new democracy that they are going to bring to us if they ever win a General Election. In dealing with the hon. the backbencher, but I may as well do it now, I wanted to say that of course changes have to be qualitative and not just quantitative, but they are. We answer all questions, and I have given him now the information about our attitude to Government companies. But there is one thing he did, which Mr Bossano never did when he was Chief Minister, and therefore why we
760 are not in some way criticising Mr Bossano when we criticise him, and that is, that Mr Bossano never had one meeting in any calendar year, and the hon. Gentleman, I am afraid to say, did.

In 2002, he had *one* meeting of the House for Questions in March and the only other meeting of the House... (A Member: 2003.) 2003, the year of the Election – was in December, for the ceremonial opening. So, for the whole year, he had an Election in November. For the whole year he had one meeting in
765 March. Only in the awkward position of being asked questions once in March, and the Constitution was silent on it; but what did his innate sense of democracy, of transparency and accountability move him to do? Have two meetings? Have three? Look, he is not as much of a Parliamentarian as me and maybe he did not want to have nine, right? *One* meeting for Questions. When you gentlemen have been up the rudder, you have demonstrated what your democratic credentials are and what you say now in trying to get the rudder

770 back, about what you do when you are back, does not really cut much ice given the evidence that you left us behind.

775 Anyway, sometimes in politics one gets things right and one gets things wrong. It is important when you get them wrong to apologise and move on, and I want to do that today. I want to apologise to the Hon. the Leader of the Opposition for having called for his resignation. I want him to stay as Leader of the Opposition at least until the Election, and if possible, until the Election after that as Leader of the Opposition. He is doing us a fine job as Leader of the Opposition. I do not know if people who support the GSD feel the same way, but I would ask him please to accept my apology, grovelling as it is, and to not for one moment consider leaving. (**Hon. D A Feetham:** Apology accepted.) Thank you so much, because he is right. There is a perfect storm brewing and it is nowhere near me. I can smell all sorts of devices. I can see a house of cards type ploy. This is getting very interesting, even from those of us that only get titbits. We are very much enjoying it, so please stay in post. Thank you for acceding at least to that request. I feel very comforted.

780 This week sees in the United Kingdom the reunion of probably the best set of comedians the world has ever seen, in Monty Python at the O2, and because of this debate, one has been unable to travel. So I am therefore extraordinarily grateful to the Hon. Mr Figueras for his performance yesterday, which at least ensured that I could smile. Mr Figueras needs to be reminded every time that he makes an intervention in this Budget session which, like the Leader of the Opposition, I hope he will continue to do from the Opposition benches for *many* years – of the facts. The facts that get in the way of these arguments that he wants to put, because they might sound so good when he is writing, long hand or typing, but the facts get in the way and they need to be relevant.

785 When he is criticising the sterling work that the Hon. the Deputy Chief Minister has done in opening up the Development and Planning Process and saying, ‘Ah, you didn’t take your projects there. Ha, ha. But we’ll keep it open. We’ll keep it open’, he needs to remember what they did with their projects. Forget the fact that it was a secretive, behind closed doors Commission. Forget the fact that they did not even publish the minutes, but remember the fact that something like the new Power Station, which would have been much more of a blight on the landscape than a Football Stadium, whether you love it or you hate it, because the Football Stadium, the last time I checked, did not have four chimneys spewing black smoke into the air, into the area of Jews’ Gate where people stand to look at the view, that under the gloriously democratic and open GSD did not go to the Development and Planning Commission.

790 And then when he carries on he criticises the Town Planner. Again, I do not know what he has got against the Town Planner, but every year the Town Planner comes in for a bashing from the hon. Gentleman and it is frankly, quite unnecessary. We believe that the professional should be in charge of the operation, because he has no political responsibility and therefore he makes professional statements there which help the Commission to do its work. He has chosen to say that Charles Bruzon House was rushed through, I guess because he has detected in his social media monitoring that there are some people... because the works are going to be ongoing next to a school who have huge concerns because they have children there, well, we share those concerns. We share those concerns. He, like I, has been in a school called Bayside, which is next to a tower block. This is Gibraltar. As long as there are not any problems in the construction period, which is down to the technical people working very hard to ensure that there is not, hey look, at the end of the day it is another school next to a building, once the building is completed.

800 But Charles Bruzon House was not rushed through. Charles Bruzon House went to the DPC, even though it is a Government project, in 2013, and then it went back a second time in April 2014. So how was that rushed through? It has gone twice. He can look at the minutes. He might actually one day want to turn up because he shadows this portfolio and he has never been, I understand, to the DPC, because the people who are at every meeting tell me they have never seen him there. If he wants to talk about the overspend of £1 million to £1½ million, please lady and gentlemen, look and ask about what the money has been spent for. Right, good, I am going to give you the answer if you plan to, because it is not for a subject to criticise this Government. This is a settlement of a claim made against the previous Administration, which we were advised we had absolutely no chance of winning, for locating a batching plant next to a place where they had granted permission for luxury housing. The advice was that we did not stand a snowball’s chance in hell. It is the settlement sum of the problem that *they* got us into, based on the advice of the lawyers that *they* instructed at the time, and nobody, believe me, gives away £½ million of taxpayers’ money without looking at every possible alternative to avoid paying it. So a bit more care, a bit more care when trying to criticise overspending as he did yesterday, because yesterday he was not asking; yesterday he was criticising. Next time, look before you leap. Ask before you criticise, and if there is a good reason to criticise, it is your job to criticise. But if there is a good reason to criticise now, it is a reason to criticise the decision makers that are on your side of the political fence.

805 I do not think we are ever going to agree on GibiBikes, but I gratefully acknowledge on behalf of the relevant Minister that the hon. Gentleman has now started to accept that what we inherited was an absolute fiasco of a scheme.

I am very pleased that he is going to welcome the new buses. I am not going to get into details as to ticketing systems etc, etc, but I must tell him that his contribution this year once again demonstrated a huge misunderstanding of some aspects of life that one would have expected him to know better than most. During the course of his debate he talked about legal assistance having been extended only in respect of one particular criminal matter. No. When he checks the transcript he will see that he has gone on and on about legal assistance, when he should have been going on about something called Legal Aid. As every lawyer will know, Legal Aid is the measure of cost paid to lawyers in criminal proceedings. Legal assistance – and he was reading his page, I could not believe it – is what is paid in civil legal proceedings. He should at least have got that right. He will be embarrassed when he reads the *Hansard*. I was going to give him a copy of the Legal Aid and Assistance Act, so that he could work out the difference, but I got held up buying the Hon. the Leader of the Opposition a calculator. (*Laughter*) I thought that that was more important in the context of a Budget debate. But we have had a judgment now in that case.

We have even had – and the hon. Gentleman should have done his research – statements by one of the lawyers in that case three or four weeks ago when they raised the issue, and the lawyer said, ‘We actually started proceedings to have this aid extended’. I am very happy to tell him now, Mr Speaker that if he pauses for thought and takes some advice, he might be told that a particular trial might not have been able to go ahead if the Government had not made the changes that it made, because of the principle of equality of arms, and therefore... Oh, look, the Hon. the Leader of the Opposition groans. Everybody was actually nodding until he groaned because everybody got the point, but he needs to understand – (*Interjections and laughter*) I know, they are starting to be like the noddies in the back of the car. He needs to understand that important legal principles like that are not determined at the whim of politicians and the politicians do not change laws to spend more money on Legal Aid, huge amounts of money on Legal Aid because they want to, because all of that money spent on Legal Aid would have been even more surplus I could have declared here to see go even redder. If we have made a change which was necessary in a particular field, it is because we have been advised that we had no alternative to do that or otherwise a particular trial might not have gone ahead, and I think we could all agree... that motion, that it would have been bad for Gibraltar as a jurisdiction if people had simply not been tried as a result and had managed to get themselves discharged. So perhaps a little bit less innuendo when they make remarks about the particular case and the changes that were made in the Legal Aid, and more thinking.

Mr Speaker, Mr Bossino says there have been astronomical increases in recurrent expenditure. Well, I forgive him, Mr Speaker. I forgive him because he is trying to pretend to support his current leader so that the other one becomes a little bit dazed with all the support, stops looking behind himself and allows him to pounce at the right time, because Mr Bossino is far too clever, having heard my original speech, to walk into that one. Having heard that the increases in recurrent expenditure had nothing to do with this Government or ‘minusculey’ to do with this Government, he was obviously trying to lull his leader, his *current* leader – I know it hurts to think of him in those terms – into some sort of false sense of security so that he could pounce at the right time; but I must tell him that I have changed my mind about all this. I am now backing Mr Feetham as leader of the GSD for as long as I can persuade him to stay. I am going to do my best to ensure that he does not become the Leader of the Opposition and that Mr Feetham is there for many, many years... if he gets my drift.

He said that the GSLP said – obviously also wedded to the advertisement – the GSLP said ‘We were in the midst of financial ruin’ and there is a lot in that sentence. The GSLP said... you know there is still the Liberal in him who cannot bring himself (*Laughter*) to criticise his old leader, quite right too. Some things run thicker than just the water that is politics, Mr Speaker. Who can believe them now? Well, Mr, Speaker the answer is everyone can believe us now – everyone. Everyone (a) that has seen the figures from the Treasury and the doomsday memo; and (b) anyone who heard the hon. the backbencher yesterday, who told us in that moment of lucidity and transparency and honesty that what was in the doomsday memo was right and that he was going to have to go for further borrowing. So that is completely clear now. That is why people believe the Government and the Treasury and Sir Peter Caruana and they do not believe the advert, because we are not asking them to believe one politician or one party leader, we are asking them to believe the Treasury – that is who produces the memo.

I guess he now, in this transformation that he has had, now has great difficulty believing anything that Sir Peter Caruana says, given the way he treated him at the time of the supposed – as he might have thought it might have been, I assume – handover of the Leadership of the GSD. But look, this is what Sir Peter said:

885 ‘...he has been fortunate’

– about me, and –

890 ‘in that I would have been willing, whilst keeping within economically prudent guidelines, to have changed the law to increase the debt ceiling, the debt limit, which I acknowledge would have been necessary...’

Mr Speaker, I know that old school rivalries die hard, but he has always been a man who has been interested in forensic analysis. Look at the numbers in here and just because it is me, do not take the contrary view. Look at the numbers. Look at what Sir Peter has said. Open your eyes and believe.

895 I will accept, Mr Speaker, that absent having to show this support to lull the other into an anaesthetised sense before stinging, that he would not have had anything to do with anything as shoddy as this because I know that he can at least spell. But he should remember before he delves further into this argumentation of the big lie that he knows that when the choice becomes of believing the Financial Secretary, Sir Peter Caruana, who is now in *Hansard* saying these things – so however much the Hon. the Leader of the
900 Opposition persuades him, I will always remind him of what he said in *Hansard* – and Fabian Picardo over Daniel Feetham on the other side, he knows that people will believe so. Close enough to lull, but not so close that he gets tarnished by this idea of the big lie.

I fear that he risks going too far, because yesterday he said that we had inherited a treasure trove that we were spending at will. Well, where is it? Where is the treasure? He has heard the erstwhile horse of the horse's mouth say, 'There was no treasure trove. I was going to borrow more'. So can he stop having Long-John-Silver-style visions when he is writing his speeches about there being a treasure trove somewhere and appreciate that d-e-b-t was the way that the manifesto was going to be funded, with a higher debt ceiling, and the hon. the backbencher has now confirmed that as much as the Treasury has? So, no treasure troves. Next year a speech which does not rely on a rainbow and a pot of gold at the end of it, please.

910 He said I should apologise for the continuing high level of expenditure. Well, again you see in every phrase there is a hidden gem. In the same way as the absence of Liberal after the GSLP told us so much about his psyche, there is the understanding of the truth: the continuing increase in high level of expenditure. Thereby recognising that the high level of expenditure had been rising and rising and rising and therefore correctly identifying when it started, which was under the previous administration.

915 But, of course, when they talk about the highest level of expenditure *ever*, as if it were a very, very bad thing... I mean they say it repeatedly, 'This is the *highest* level of recurrent expenditure in the history of Gibraltar'. I do not know whether they actually bother to look at this, but I invite the hon. Member to look at page one of the estimate... actually, the one that is numbered one. If he looks on the calculator it is usually between zero and two. Does he have it? Mr Speaker, £547,390,000m is the highest ever figure of
920 revenue for Gibraltar – the *highest ever*. So if he is going to say, 'Say sorry for the highest ever level of expenditure', could you please also, Mr Bossino, say, 'Thank you for the highest level of revenue ever'? I do not think the debate is this simplistic, but if he wants to have it in this way... if he wants to come here and say, 'Say sorry for the highest level of expenditure ever', the eyes just need to go up one line to see the highest level of income ever.

925 Of course, he just had to deliver the speech he had written. He had to deliver it. I do not know what it is about them that they do not like to change their speeches. Maybe on a Sunday afternoon, in the hinterland or at home, this sounded fantastic as it was tapped away onto a Mac Apple, or whatever it was that it was typed into, and the hon. Member was so wedded to it and wedded to support for his leader and wedded to the churro paper advert, that he just had to deliver it; but the Hon. Mr Costa had just uttered statistics that
930 demonstrated that half of what he was going to go onto say was wrong. The Hon. Mr Bossano had made it impossible for anybody to deliver any speech in opposition to the current Minister for Employment, other than 'Well done, Joe', and that maybe did not sound so good to the hon. Member. It was – and I recognise of my old school chum that it was – a devastating blow that the Hon. the Minister for Employment delivered with the Employment Survey barely a week before the statistics had to be discussed. A
935 devastating blow. Few might have got up to argue cogently in respect of any particular issue that there might have been wrong with those figures; none did from the other side because no argument was raised. The numbers spoke for themselves.

But then he said this, Mr Speaker, 'The Estimates Book makes depressing reading'. Well, I suppose if he looks at the revenue and feels that he has to thank me for it, it would. The Estimates Book makes
940 depressing reading: protocol and entertainment £1.05 million, when the estimate was £390,000. Obviously having forgotten or never known about the much higher increase in 2002-03.

And then he said this, 'Talk about sticking' – at me – 'his nose in the trough'. I have lost so much weight, Mr Speaker, and he still wants to denigrate me like that... how ungentlemanly, Mr Speaker. I can
945 get described as a farm animal, but saying that somebody is boring in their delivery requires a press release on how rude one is. Well, look, I have a fairly thick skin. I suppose pigs have thicker skin, but I have a fairly thick skin and so being told that I have my nose in the trough is not going to hurt me. Water off a pig's back, Mr Speaker. (*Laughter*) But does he think it is me, Mr Speaker? Does he think that my nose has been the one that sucked up the extra £700,000? Does he know who he is talking to when he is saying that, because it is not just the Chief Minister who has been in politics with him for 20-odd years and therefore
950 has a very thick skin, this is everybody that accepts an invitation to any of the parties, as they like to call them, any of the events. That is where the overspend is, so every time they stick their noses in the events trough, every VIP invitation they accept, every time they break bread at a Government dinner or lunch,

every *tapita* that they enjoy, there they are oinking away, nose in trough... snorting away, I assume. I am going to sidle up to him the next time he is at a Government event, Mr Speaker, and just quietly stand by to see if there is any snorting or oinking going on as they Hoover up these £705,000 of additional expenditure that they enjoy so much now that we invite them to all of these events. (*Interjection*) Well, you have got a pretty big nose. (*Laughter*)

Mr Speaker, he does like to say that we give out contracts to friends, talking about one particular contract, which is the Airport contract, for advertising, which is repeatedly talked about. He then said, 'Giving contracts to friends'. Well, I have told him before and I will tell him again there was only one individual who was not transferred, as a transfer of undertaking occurred at the Airport from Terminal Management to GATL – Gibraltar Air Terminal Ltd. He was not transferred. He was not employed. He was not contracted. He was excluded *a dedo*. So this is not an *a dedo* appointment. This is an *a dedo exclusion*, and what we did was we corrected that. That is not giving a contract to a friend; that is actually righting a wrong, as I have told him before.

Then he complains that the Borders and Coastguards Agency is expending £800,000 more. Well, they have a lot of work. They have Department for Transport responsibilities, if we want to keep our Airport open, and they are running a visa waver scheme that is working very well.

In relation to the Civil Aviation spend, he complains that there is an overspend there and he needs to understand what it is for. It is the amount that *they* agreed in Government. They were going to pay the MOD in respect of the runway every year, which we, when we were preparing the estimates, believed we had renegotiated with the MOD. The MOD was not then able to finalise agreements and we are still holding over *their* agreement in respect of the runway whilst we finish a new agreement in respect of the runway – this is called the Commercial Use Agreement. That is where the overspend is, having to pay the amount *they* agreed to pay and not the much lower amount we believed we had got the MOD to agree to pay.

I note, Mr Speaker, he did not even welcome the OFT Bill, although he is supposed to be shadowing Commercial Affairs. The Office of Fair Trading Bill... no welcome. But to a very great extent – and I suppose he did not even mention the freezing of energy prices – one thing or another, at twenty to nine in the evening, he just came to read what he was told to read or what he felt he had to read in order to lull his leader into a false sense of security. He literally that night, at that time of the evening, at twenty to nine in the evening, he came, he read, he bored us. He was another one, Mr Speaker. He came, he read, he bored us. No mention of the fantastic improvements at Sandy Bay. He is the Shadow Minister for Tourism. I think he is the only one who has not mentioned them. No mention of the good news of hotels. No mention of the numbers that the Hon. Mr Costa disclosed in respect of flights. No mention of the fact that despite the onslaught against Gibraltar at the Frontier, we were only down 1.6% at tourist sites. On cruise passengers and on cruise calls, he ignores that under *them* cruise calls fell sharply by 64 and does not realise that we are rebuilding.

Well, he ignores a saving when it occurs and so he talks about something being overspent, but when you do not spend £333,000, in one particular head he does not point that out. He does not think that is disgraceful, but neither does he think that he should give you an apology for not having pointed it out. Anyway, Mr Speaker, lots of snouts getting in the way of a good speech, I suppose.

He would love to pin the problem with bunkers on us, but he has sources in Singapore and he will be able to read about what is happening elsewhere. He will then see that the world market in bunkers has been down (a) as a result of worldwide economic trends; and (b) as a result of new rules which require ships to steam more slowly, and therefore they take less bunkers. But he will be extraordinarily disappointed to know – in fact so disappointed that he decided not to comment on it, although it is an extraordinary statistic worthy of congratulation – that bunker charges are in fact *up* last year in Gibraltar by 21%, confounding our enemies. (*Banging on desks*) Why did he not mention it, Mr Speaker? Why did he not remark about it? Why did he not change his speech about it? Why is he not listening to me? Very simple, Mr Speaker, because it does not help their cause. It does not help their cause that Minister Costa has delivered bunkering charges up 21% this year and that is why he ignored it.

It is normal, Mr Speaker, for any Government to welcome a new airline. Any Opposition should welcome a new airline and we of course will welcome any new airlines that come which are private sector initiatives, but I think that is absolutely normal. He seemed to criticise that before going on to say that of course in the GMA they have never had it as good as they had it in 2001-02, I think under Joe Holliday at the time, when they had had their record year and they had registered 45 ships. I fear that the Minister for Tourism has got a snout that is not going to let me get through this, he is so enjoying it, because he has just reminded me that last year, under this Administration, the GMA had its record year with 54 registrations and he had said it before the hon. Gentleman got up on his feet. He is supposed to be an able barrister. I mean that much of a change he could make. No, he could say, 'Mr Speaker I was going to say that the record year had been under the GSD at 45 registrations, but I have heard, and I am very happy for Gibraltar, the Hon. the Minister for maritime affairs say that last year they registered 54. I want to welcome that on behalf of the Opposition because what is good for Gibraltar is something that we welcome'. I have not even

1015 had to make a note. I was able to do it and I am sure he could have done it too, but he was not sincere in his speech. He wanted to deliver the *nasty* speech. The nasty party's nasty speech – that is what he wanted to deliver. He was not going to be shaken by any fact or any matter that might turn it into something a little bit other than just an onslaught.

1020 And he says, Mr Speaker, that people are staying here using our beaches and using our park – that 'vanity project' – only because they are locked in, and I was put in mind with that phrase of something that he will remember too, in 1985 when the... in 1982, when the frontier opened for pedestrians, I think, and that lady famously said, 'We have been here locked up like cats for so many years'. For a moment I saw him as the image of Carmen Warr (*Laughter*) standing by the frontier, finally liberated once it had been opened. I do not think many people at the Commonwealth Park have the feeling of being locked up, or at Sandy Bay. I think they feel very *free* actually that at last they have a green area in the centre of the city. I
1025 recommend to him that the next speech he writes on his laptop on one of the benches on Commonwealth Park. He might actually reach a different conclusion. I think there is a large measure of agreement between us that Spain's action in resigning from the Cordoba Agreement is despicable. I feel very able to say that I am delighted he still has that element of fervour in him that he can; but, of course, that might not be considered measured and reasonable language by those on that side of the fence.

1030 He does not like it, Mr Speaker, when we refer to Mr Caruana or Mr Montiel in any of the issues that we are talking about. So when we are talking about the 22 who were found jobs on average in the years that they were in Administration and we remind him that Mr Montiel was not in the office at the time... and when we talk about Mr Caruana, Sir Peter Caruana when he was Chief Minister and all of the issues that that gives rise to, I know that the Hon. the Leader of the Opposition is Mr Montiel's lawyer. He does not
1035 have to get too fidgety. I am not going to say much more. In all of those instances, Mr Speaker, we are perfectly rightly reminding them of what they did when they were in charge.

1040 What he cannot do, Mr Speaker, because it makes no logical sense, is say, 'We left you a golden legacy and a treasure trove, but do not talk about the past'. Well, it almost seems, Mr Speaker, as if he knows that there is no treasure trove, even before Sir Peter said so, because if he does not want us to talk about the past, it is because the past is best forgotten. The past *is* best forgotten, I agree. They have an abysmal record in employment and that is why it is right that the Hon. the Minister for Employment reminds the community
1045 *constantly* of what happened when they were in Administration, so that nobody sleepwalks into letting them back in; but I really had not expected that. That is why I can see this house-of-cards-style issue playing out. I can see the rivalry there – it is obvious. Fine, so be it. (*Laughter*) It is a very good thing. I am not shy of rivalry; it is a very good thing. He and I have enjoyed a rivalry for many years and there can be a friendship and a rivalry without a problem, but what I did not expect was, 'Do not talk about Sir Peter'. I knew it hurt that he did not come good on the promises about the leadership, but to say, 'Do not talk about Montiel. Do not talk about Caruana anymore'. This was quite incredible.

1050 I had seen him passionately follow Joe Bossano, and then turn his back on him, deny him three times quickly as he moved over to the other side; but now to see him do the same thing to Sir Peter, whilst still seated on the same side, this is of biblical proportions (*Laughter*) It was Peter who denied Christ (*Laughter*) and now it is happening the other way round – (*Laughter*) Absolutely fascinating. But, there is no other way. There is no other way to get away from 650 Gibraltarians more in jobs in two years, an average of 325
1055 a year, other than to simply bury one's head in the sand, and deny the past and pretend it and they did not exist.

1060 But he says, 'There is a very poor service going on in the ETB. What is going on in the ETB?' I heard him say in a moment (*Laughter*) of slight passion, and he looked like a 90-year-old waving his walking stick, 'What is going on in the ETB?' It is terrible. There are now complaints, *complaints* that the phone is not being answered at the ETB and everyone here of course will want *every* public office to have its phones answered at the first possible moment. I will tell him what is happening at the ETB. They are finding people jobs. (*Laughter*) They have gone from answering the phone and employing 22 people a year, to not
1065 answering the phone and employing 325 people a year. I know which ETB I prefer. (*Laughter*) I just need to send them some people to answer the phone. It is not a difficult thing for the Government to do.

1070 He has heard me make the analysis about how many people they employed into the public sector, so he does not really want me to go through that again, because his complaint that the numbers are up 7.8% really do not sit very well with the fact that they went up 60% in their time, if not 68%. I still have not got the figure for 1996. So he needs to be careful with that one, and that is another area to avoid next year *para no hacer el tonto*. Financial Services and Gaming, Mr Speaker, up 1,050 jobs – 50% in two and a half years – so all the growth is not in the public sector as he has pretended. What a pity to see such talent wasted, Mr Speaker. Anyway, I am backing Mr Feetham as leader of the GSD for as long as I can.

Mr Reyes reminded us that we gave a commitment not to destroy heritage sites, but now that we are in Government that commitment is tempered as a result of professional advice. Well, it always was going to be subject to professional advice. Nobody on this side of the fence is going to want to see a building that is about to fall down stay there simply because there is a heritage value to it. I think we have a cross-party

1075 agreement on that. But on the issue of the Main Guard, he said that they had planned it for years and they were very pleased to see it happen. Well, they planned so much for years, Mr Speaker, and what we have done is demonstrate to them how much can be done in a few short years by actually getting on and doing it.

1080 He then went through a list of issues that we were still pending delivery on: digitising the archives, replacing the place of the Neanderthal skull and delivering culture. He said, 'When?' Well, look, Mr Speaker, I am grateful that he is reminding me of my manifesto commitments. I have got them all in my head. They are all going to be completed on time before the next Election, but if he wants to help us to win the next Election by doing more than just reminding us of what he wants us to do, our position *always* had been – it is important that Mr Bossano hears this – that there were only two people who we would not accept in the GSLP, and that was Mr Feetham and Sir Peter. But now that Sir Peter has started to accept that everything we have done makes sense and is right, I am quite happy to propose at the next AGM that we should lift the veto there, and of course there is no veto for him if he wants to come in and help us to make sure that we comply with all our manifesto commitments on time.

1090 Then he said that we had inherited from the GSD a policy of supporting our sporting bodies to get over international hurdles put in the way of membership of their international federations. Well, yes, we had inherited it from you, I recognise that, and they had inherited it from us in 1996. A much more elegant way of putting it so that it is not an issue between us is that we all agree across the floor of the House, as the House *always* has before he and I were Members of it and regardless of who was in Government, that all our sporting associations should be entitled to form part of their international relevant bodies and without anybody putting political obstacles in their way.

1095 He said that the further football pitch was going to be a huge cost – that may come back to haunt him, just like the estimate that the Hon. Leader of the Opposition made about the Power Station costing £120 million, which it is not going to do – and that other sports need facilities too. Well, we agree, and I have told him across the floor of the House because it is an issue that I am dealing with, with the Minister for Sport, because it involves lands and other issues, which are inter-ministerial, that we looking and working with cricket and rugby to deal with those issues.

1100 Then he went on to say that the educational system is a source of pride, but after 42 years it needs to be changed and explained in that way why they put out a policy that simply asks questions and gives no answers. Well, I have no difficulty with them doing that, but I think we had the Hon. the Minister for Education explain to us what was their position before the Election and what is their position now, and that was amusing enough. But they put out a consultation which does not give any answers; it just asks questions. I have done that too, in some respects, because in some instances that is what you have to do. You have to make up your mind with information from the public, from the community and from business. When I did it, his leader said that it was disgraceful that I was not leading the community and telling them what I thought the results should be, but when they do it, it is the right way of consulting. Do not worry, I am used to it. So is everybody else and that is your problem. Then he said that what we should not do is gamble with Education in the future, and I could not agree with him more. That is absolutely right and I entirely agree with him.

1115 He took us to the Housing Works Agency, and said, 'What are you doing? For every two that goes, you only employ one'. Yes, I want to ask him... I have written to him already asking him a question that he asked me to write to him on at Question Time. I am going to write to him again, given his speech, to ask him to please clarify to me, given that they were in Government at the time but he has asked the question now, what it was that they intended to do with the Housing Works Association, because they are the ones who signed the agreement and said, 'Two out, one in', and that is a law of ever-reducing numbers which will get to zero at some stage.

1120 He expressed concern on behalf of constituents about the length of time that it has taken to refurbish their estates, because the refurbishment started a year ago and it is not finished yet. I really do not believe him I must tell him. It may be that one of his supporters with nothing else to talk to him about has tried to make a conversation in that way, but I do not believe that somebody who has been on an estate that has not been refurbished for 50 years, who has seen the refurbishment process start a year ago and knows it is going to finish by next August or September, is saying, 'When is this going to finish?' He is saying, 'Thank goodness this has started. Thank goodness this Administration has not listened to what you guys are saying about this being too expensive. I am really looking forward to next summer'. If there are slight personal issues, there are on every building site, I am confident that the Government and our contractors can deal with it.

1130 He will be, I hope, very happy and not cynically disappointed to hear that of the 1,500 people who were on the waiting list at the time of the last Election, approximately two thirds have already been housed, and that therefore we are very much on track to deliver on that fundamental manifesto commitment. He will not be so happy to hear that when he said that £130,000 per home at Charles Bruzon House was an extortionate amount of money and it was far too expensive, I am told today that that is *exactly* the same cost as every apartment at Albert Risso House. I really could not quite believe it. (*Interjection*) I could not quite believe

it. *Six years* later, despite inflation and the move in the market, what he said was too high is what they paid six years ago – another one not to repeat in the future. Talk about a hostage to fortune.

1140 But he said that we were nervous about their new policies. I want to tell him that we are delighted with their new policies. They should continue to roll them out, as many of them as possible, because they really do help people to see them in their real light, especially this sort of policy and this sort of... More of this, please. More of this as soon as possible, because if he thinks that we are stagnating and visionless and we are too thirds of the way in delivering through what they described as too ambitious and too expensive a manifesto, well, then I think there would be many people in the Western world who would like to have Governments as stagnating and as visionless as this, delivering 10.3% growth... and Mr Bossino would like to recall, because he has just looked at it a minute ago on page 1, the *highest* recurrent revenue in the history of Gibraltar and the *highest* surplus in the history of Gibraltar. So stagnating and visionless like that I will continue to be for many years, I hope.

1145 Mrs Isobel Ellul-Hammond used some very peculiar language in her address. She talked of us culling people and that is extraordinarily unfortunate because when you cull a person, what you do is you kill them. So she has made an accusation against the Government – in figurative terms... I am not suggesting that she says we have killed anyone – that we are culling people because of their nationalities. Well, there is another document that we give them just in time for the Budget session, which is called the Employment Survey. The Employment Survey tells them who is employed in our economy and what their nationality is, amongst other things. I do not know whether she bothered to look at it, but next year before making allegations of culling, she might like to look at it, because having been accused of culling for nationalistic reasons, despite what the Hon. Mr Bossino has described as the despicable campaign by Spain against Gibraltar, despite the Foreign Affairs Committee in the United Kingdom having identified that the Ambassador from Spain had to be summoned two more times than the North Korean Ambassador and thereby no doubt incurring the wrath of the Leader of the Opposition for having mentioned the words ‘North Korea’ and ‘Spain’ in the same sentence, if she had looked at the Employment Survey she might not have erred quite as she has. Compared to October 2012, Spanish employee jobs in the economy grew by 653, an increase of 18.1%, which means they now represent 18.6% of all jobs in our economy. That is not a cull. That is a reproduction – (*Laughter*) *Otra vez, ya vamos a llegar al tuyo, no te preocupes*. How can she call that culling... with a straight face?

1155 And then the calculations that she made about average sick leave, which she tells us was absolutely terrible at 15.5 days in the GHA and this is the measure of whether people are happy or not... in a place where illnesses run riot obviously, because people work with illness every day and what might apply to a car show room does not necessarily apply to a Health Authority – actually the GHA tells us that the figure is 14.8 days, not 15.5; but she said her gold standard was 4.4 days of sick leave. Next year, can they please excite me intellectually a little bit more and make this harder? The principal auditor had to take an interest in the Gibraltar Health Authority in 2007 because sick days had got so out of control. I am told from a sedentary position by others that she was a Board Member at the time. (*Laughter*) I am going to say it like that because I am not sure that she was... with that get out. The staff then was smaller, right. So there were in fact 200 *less* sick days taken in 2013 than in 2007, even though there was a larger staff.

1160 In 2007, when I am told she was a Board Member and when *they* were in Government, led by a man who they have described as the greatest Gibraltarian politician of all time *Otra vez* (*Laughter*) morale, one would have expected would be so high, led on the Board by the hon. Lady, led in Gibraltar by this paragon (*Laughter*) and with Mr McCutcheon in charge of the Gibraltar Health Authority. (*Interjection and laughter*) But really, one would want to ask oneself, what went wrong in the Health Authority where the golden standard of 4.4 was not the standard they hit? It was 18.2. (*Laughter*) If we take the whole of the GHA together, every GHA employee, actually it is 11.6 in 2013, led by the man who brings them joy once a year by dancing on the steps. (*Laughter and banging on desks*) So in 2007, three and a half days more per member of staff, and really, if her assumptions mean anything, she needs to really go back to the drawing board and ask herself what she and everybody else who was involved in the GHA then were doing wrong.

1170 Then she complains about overspending in the GHA. She said it was £5 million. It was not. It is actually £4.3 million of recurrent... £1.8 million is the pay review. So if they do not like that, she might want to say, next time she goes down to the Health Authority to shake people’s hands, she might want to say, ‘Look, I really like you. I really value what you are doing, but I am getting rid of the latest pay review because I have criticised the increase in the recurrent expenditure’. One million pounds was the result of Agenda for Change and also an agreement entered into by them. So £1.8 million pay review, their cost, and £1 million Agenda for Change, their cost – £2.8 million out of £4.3 million... I know they hate it when we break down the figure and show them it is their fault – and the rest was largely sponsored patients. So I propose to her to control that she should go down quickly to the Health Authority. We will allow her access. (*Interjection*) Stand outside the sponsored patients’ office and say, ‘The GSD wants you to stay in Gibraltar. We are not sending you away, and if the GSLP insists’ – it was GSLP Liberals – ‘on you going away for treatment, then I will be able to criticise the costs next year in the overrun. And you, person standing there doing a

sterling job helping them, you are not having your pay rise. And you, nurse, you are going back to where you were before Agenda for Change because I am now against this rising cost'. Otherwise can she at least not be hypocritical and not criticise the cost, which she would probably have incurred as well and in fact which principally *they* incurred.

She likes to criticise Xanit so much, and yet it was the GSD that started to use Xanit. The referrals are always supported by clinicians. There is absolutely no political interference whatsoever. It is really quite incredible that she takes the attitude that she takes, but I am not surprised, because as I have demonstrated by reference to data in relation to sick days, she has complained about Xanit, about recurring expenditure and all things which now she sees she should not have complained about if she wants to make any sense. She has complained about complaints. This is becoming more like Monty Python all the time. 'I have got a complaint about complaints. Is this the complaints office?' (*Laughter*) 'No, this is arguments'. (*Laughter and banging on desks*) Well, Mr Speaker (*Interjection*) it is really quite incredible to see and a credit, a huge credit to a man, who has demonstrated that the things he is good at, he really *is* good at. (*Interjection*) *Quien, tu?* (*Laughter*)

Mr Speaker, I am going to give Members the data for complaints and so they might wish to make a note. Complaints 2005 – 215... in fact, I will give them the breakdown: 2005 – formal 96, informal 119, total 215; 2006 – 74 formal, informal 122, 196 total; 2007 – formal 52, informal 140, total 192; 2008 – 57 formal, 140 informal, total 197; 2009 – 53 formal, informal 129, total 182; 2010 – formal 60, informal 105, total 165; 2011 – formal 48, informal 96, total 144; 2012 – formal 39, informal 109, total 148; 2013 – formal 39, informal 90, total 129.

In 2007, there were 192 complaints and people took 18.2 days off of sick leave in the GHA. In 2013, there were only 129 complaints – each of them matters – many of them encouraged by the Minister himself, who likes people to make formal complaints so that the process can be gone through and we can learn from anything that has gone wrong... not discouraged, as used to be the case in the old days – and people took 14.8 days off sick leave. I think that ship has been steadied, all credit to Dr John Cortes. (*Banging on desks*)

I am not going to pretend to do the mathematics that she does with the GPs again, because we would be here all day demonstrating to her how wrong she is about this. There is so much that I have been provided with where I can contradict her, but it is already five past two and the nose and the trough needs soon to be united. (*Laughter*) So I will leave a lot of that, apart from that I must say I was very disappointed with her attitude to Commonwealth Park. To say constantly, 'Well, at least we have a park. At least we have a park', as if that were not relevant or important. Even in health terms it is important, let alone in environmental terms; but we know they think it is a vanity project, therefore useless and irrelevant.

The issue of fixed-term contracts, sickness, absence and staff turnover at the Care Agency is something that has been plaguing that Agency since the time that they were there. They introduced the fixed-term contract. How can they complain about this now? It is absolute nonsense, but we are getting used to that from her. The turnover in the Care Agency, which she raised as an issue, I have the numbers for two... she may like to make a note to ensure she never refers to this again. In 2010, the turnover was 72, which is 14%; in 2011, the turnover was 81, which is 16%; in 2012, the turnover was 23, which is 4%; and in 2013, 35, which is 6%. I will accept her congratulations for having got that turnover down. In the Social Services Department of the Care Agency, the turnover in 2010 was 25 – 13.8%; 2011, 20 – 10.5%; 2012, 9 – 4.7%; and 2013 the number was 14 – 6.5%. Apologies also graciously accepted (*Laughter*) in relation to that issue.

Mr Speaker, we think we are doing a lot for children with autism... the Minister for Health has said so. The Minister for Social Services has said so. She has raised this issue with us. She knows and others know that they can raise any concerns they have about issues like this with us at any time and we will deal with being able to work on these issues whenever we can. Things like this should surely not be the sort of thing that becomes part of the political to and fro. We are open and ready to listen to ideas, to work together on these issues. We are in Government now and therefore they need to come to us for things to be done. But if they are ever in Government, on issues like this, should anything come our way, we would go to them. Let us not make this a football, please. There are plenty of other things that we have kicked about today that we can have a lot of fun with and we can enjoy without having to go down that road.

I think the Minister for Equality is doing a fabulous job in relation to all matters of equality. That does not mean women's issues. That means equality. *Everybody* equal, whatever dangly bits one may or may not have, however one may like to use them (*Laughter*) and that is what she has been achieving, Mr Speaker. It is not about women. It is not about men. It is about *equality*.

If we are revising the size of the rooms in the dementia facility, it is because what they left us was really not fit for purpose and once we open it, people will realise that we have done a fabulous job in doing so, as we have with the John Mac Home. We had to spend £4 million because they also left us something there that was not fit for purpose. We had factored that into the equation of being able to rehouse people. We showed it to very many people. Nobody wanted to stay there. Some could not, because of the way it had been designed.

1260 Of the overspend of £3.7 million, 2.6% is the extension of Agenda for Change and the £900,000 is domiciliary care. Please, let us, on the back of an envelope, on the back of a postcard addressed to the Chief Minister or the Minister for Social Services telling us which of those two she would cut... the pay cut of £2.6 million or the £900,000 on domiciliary care. Please, if she does say domiciliary care, can she not ask us about the waiting list and urge us to hurry it along, although they did nothing about it?

1265 Again, on the disabled, the SEC system I am told is new, so finding complaints seems very difficult and project search is something that we are taking advice on. As she knows, some of our people have travelled there very recently. We think we are being much more proactive on fostering and abortion... sorry, *adoption*, and therefore we are surprised to see her take these points at this stage.

1270 Well, Mr Speaker, what can I say? I think that deals with everything, except there are two things that I want to refer her to. Just like the Leader of the Opposition, she has had today her own bundle, and so I am just going to go through the bits left in the bundle.

1275 Total recurrent expenditure and overspend in the Gibraltar Health Authority, Mr Speaker, average 8.24%. The variance between 1997-98 and 2011-12 is a total of an overspend of £55 million... £55.8 million. It reaches 11.95% overspend in 2011-12 and 10% in 2008-09. In 2012-13 the variance is down to 1.13%. Well done, John Cortes. This year it is up again because of sponsored patients, and no doubt in some of their years it would be sponsored patients too, because as the Hon. the former Chief Minister said, spending on Health... look, it has to be controlled, but nobody is complaining because it is being spent on Health as long as it is spent in the right way. As he said, we redistribute that income, this record income in different ways. One of the ways we do it is by giving good healthcare. Now, she needs to decide if she wants to stop spending on Health and criticise overspending or ask us what the overspending is on. Let us analyse why we did not get it right in the estimates. How can we get it right next time? But a blanket complaint like that actually just serves to show up that in *their* time the overspending was usually worse than in ours.

1285 Mr Speaker, she has repeatedly accused us of cronyism – *repeatedly*. There is absolutely no reason to accuse us of cronyism. We have demonstrated in every instance that we have acted entirely properly in keeping with our practice and if anybody was ‘crony style’... cronyistic or whatever it is, that one, however you conjugate that word – it was them in the way that they made *a dedo* appointments. But, Mr Speaker, she seems to read everything that is put on social media. She is ever present on Twitter and Facebook. Has she not read the article that says that I am not being cronyistic enough? (*Laughter*) Does she not know that the criticism that is levelled at *me* and *the party* apparently is that we are not doing cronyism? ‘Picardo’ says *Panorama* ‘is soft to his enemies because he mistakenly thinks that is the way to win them over, and says, “There are people who expect things from me who are not getting them”’. I do not think I have ever been described as a ‘softie’ by any of them, except for the hon. the backbencher, who once said I did not have the steel to deal with negotiations with the GGCA. That was only in an interview *de la radio* in 2011-12 Budget. That was only because they had finally given up on him. They had taken him for as much as they could and he could not buy them, however hard he tried at that stage, Mr Speaker.

1290 Well, we are not being cronyistic in anything that we do. We are being very careful to be a Government of all of Gibraltar. It may be getting us into some element of criticism when somebody who says that they are supporters of us feels that they are not getting something that they feel they deserve. As I said repeatedly before the Election – and I actually meant as we all meant when we said in the Election on this side of the House the things that we were going to do – we were not going to be advancing anyone simply because of the party that they might belong to. Everything was going to be done on merit and I think that we have more than demonstrated that in the way that we have run the Administration of this country’s affairs in the past two and a half years.

1300 Let me quickly, Mr Speaker, move on to Mr Jaime ‘yawn’ Netto to deal with the issues he raised. A lot of what Mr Netto raised, we have already dealt with in our presentations. We have dealt with the issue of the Power Station. We have dealt with the fact that it is going to be gas etc, etc, and so I assume again a lot of his preparation was before the announcement. He wanted to defend diesel, but they are all against recurrent expenditure going up. One of the biggest costs is diesel, and he is either on his own defending diesel or they have wheeled him out to defend diesel. I do not think anybody believes that our environment was better looked after when he was the Minister than when Dr John Cortes, Minister for Environment, is the Minister. We are all very concerned about Western Beach. We are doing as much as we can in order to try and resolve that.

1310 He wants to return to culling apes. Well, we think that we can resolve the issue of the apes. We are on the way to doing it and we think that our solutions are much better than killing animals, which are sentient, and that has been our position for some time. Their position was that they should be culled. In the eight years I have been in this House they hardly ever culled, despite it being their position that they should cull, and they hardly provided any other solution; hence the problem we have today. Most of the macaques, if not all of the macaques that we have today, were engendered – i.e. created in monkey bellies before we were elected. So look we are dealing with it and it will happen. (*Interjection*) Well, blame the GSD when it

is true, because it is true. If you do not like it, do something about it. Change your understanding of the world so that you do not say things which open you out to this sort of criticism.

The Alameda Gardens are not dilapidated and I am really not seriously going to deal with Barbary partridges today, Mr Speaker.

Mr Speaker, the hon. the backbencher, as I said yesterday, has never said a boring word in this Parliament, to his credit. Yesterday, he moved the political debate of this community on by his statements as to what the state of the debts had been at the time that he left and how he would have funded his manifesto, statements which I have already referred to. So, Mr Speaker, I do not intend to go through that again. I am delighted that he has said the things that he has said about the economic performance. If he will allow me a personal reflection, it is a *huge* satisfaction for me personally to be here today, three years after I was there being called by him ‘unfit to govern this community’ and to receive his congratulations for the fantastic economic performance that we see today demonstrates that he is a man who is more interested in the wellbeing of Gibraltar than in a petty political argument that we might have had in the heat of battle three and a half years ago. I am very grateful to see that I have confounded my critic and that the numbers speak for themselves, and that he said the things that he said yesterday.

He knows that I have been quick to congratulate him also, whenever honour has been bestowed upon him... when he became a bencher in the Inner Temple and when he took his Knighthood – so I am grateful now for his kind words about the economic performance of my Government, especially juxtaposed to the things he used to say when he was much more enlivened in this debate. I am very grateful indeed. He knows, Mr Speaker, that the people who served him in the Treasury do an excellent job and would never put pen to paper to say anything that is one penny out and we can all rely on the information that they provide. His and my understanding of what a £100 million hole is in Government finances is slightly different because we did find that there was some of the £100 million that had not been accounted for yet – part of it had been incurred; not all of it had been incurred. It was £100 million spending commitments, he will know, and part of the debate was that we had to stop spending. I will come back to him, Mr Speaker, on issues related to – as it is pretty late now – Credit Finance Company Limited.

The issue of jobs, I want to deal with very quickly, which is to say only this, if I have not said it already, that when we were fighting it out in the Election campaign and Mr Licudi and Mr Bossano made the announcement of the excellent Future Job Strategy, which is working so well and already delivering fabulous results for our community, we had calculated – as he knows it became an issue in that campaign – that the minimum wage at £10,000 each per economically active individual who took it up would cost £4 million, because there were 400 people registered unemployed. The Hon. Mr Feetham was quick to come back to us on television and tell us that this policy was madness because it was going to cost £10 million – (*Interjection*) £11 million in fact. Yes, indeed, thereby disclosing that the number of economic actors, who were not gainfully employed, was closer to 1,100. I put it to him Mr Speaker, that if he uses... and he has never needed a calculator, but if he needed to, I am sure that his new leader would lend him the calculator I have bought for him – if he takes away from 1,100 or from 1,000 the 650 who have been found jobs, he will find himself with a figure of 350, which is the unemployed now. That is the simplistic explanation and there is much more detail in Mr Bossano’s speech that set out the detail of it, but it is not as if we have created 650 new Gibraltarians. Mr Feetham told us exactly where they were so we could find them and give them jobs. (*Interjection*)

Mr Speaker, I have not heard anything in the course of this debate which changes my mind in recommending to the House this Bill. If I may, just before I move on, thank the Hon. Sir Peter Caruana for his statement in relation to our consultation on Schengen and the Customs membership and the issues of excise, which we are fully aware of on this side of the House, because we have been researching it in some detail, but not all members of our community are. When he speaks, I know people do tune in to listen and so I think it has been a very helpful pointer to where the debate may go in the future.

But I have heard absolutely nothing in the course of the past two days which shakes me from my view that I should commend the Bill to the House, but hon. Members opposite have criticised so much, have really attacked the increases in spending so much without wanting to think about what it was that they were attacking, without wanting to investigate them, and then having been given the information and have continued to be of that view, that I am going to invite them not to support the Bill, if they mean any of what they have said.

So my view is this Bill is as good today as it was when I got up on Monday and I commend it to the House as a record breaker. This is as much a new dawn today as it was on 9th December. I have seen, Mr Speaker, as has John Cortes, young children walking around that are the fruit of the IVF policy that we have implemented. The new dawn, Mr Speaker, has a name and a surname, and it is working. It is working and delivering the best possible results.

But, Mr Speaker, the hon. Gentleman opposite me criticises me at the United Nations, criticises me when I go to Spain, criticises me on every issue that he can, and now he is criticising me on these record

1380 breaking numbers. Well, Mr Speaker, I commend the Bill to the House, *but* if they have the gumption to stand for what they believe, then they should not vote for this Bill to become an Act. (*Banging on desks*)

Mr Speaker: 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 31st day of March 2015, and further sums of money to the service of the year ended 31st day of March 2013 be read a second time. Those –

1385

Hon. Chief Minister: Mr Speaker, I call a division.

Mr Speaker: A division called.

1390

A division was called for and voting resulted as follows:

FOR

The Hon. P J Balban
The Hon. J J Bossano
The Hon. Dr J E Cortes
The Hon. N F Costa
The Hon. Dr J J Garcia
The Hon. A J Isola
The Hon. G H Licudi
The Hon. S E Linares
The Hon. F R Picardo
The Hon. Miss S J Sacramento

AGAINST

None

ABSENT

None

The Hon. D J Bossino
The Hon. Sir P R Caruana KCMG QC
The Hon. Mrs I M Ellul-Hammond
The Hon. D A Feetham
The Hon. S M Figueras
The Hon. J J Netto
The Hon. E J Reyes

1395

Hon. Sir P R Caruana: Mr Speaker, pursuant to the long-standing Parliamentary tradition that the whole House supports the Appropriation Bill in order not to deprive the Government of funding and the civil servants of their pay and thereby not meaning any more support for their spending plans that they meant when they used to support *our* spending plans, yes.

Hon. Dr J E Cortes: Much more briefly, Mr Speaker, yes.

1400

A Member: Surprise, surprise! It is unanimous.

Mr Speaker: By a small matter of 17 to 0 – (*Laughter and interjections*) – the ayes have it. (**Several Members:** Hear, hear.) (*Banging on desks*)

1405

ADJOURNMENT

Hon. Chief Minister: Mr Speaker, I move that the House do now adjourn until four o'clock this afternoon and we can then deal with other matters.

1410

Mr Speaker: The House will recess until four this afternoon.

The House recessed at 2.30 p.m. and resumed its sitting at 4.00 p.m.