



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.06 a.m. – 1.24 p.m.

Gibraltar, Friday, 7th October 2016

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The Gibraltar Parliament

The Parliament met at 10.06 a.m.

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

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

Personal statement by the Hon. T N Hammond

Mr Speaker: The Hon. Trevor Hammond has asked leave to make a personal statement.

Hon. T N Hammond: Thank you, Mr Speaker, for giving me leave to make this statement.

5 My family suffered a terrible shock earlier this week when we received the news that my youngest son, Simon, had suffered an accident. He had fallen from the line wall adjacent to the Catholic Community Centre right down to Reclamation Road, a fall of some considerable height. But for the intervention of a tree, and in all probability a guardian angel, the results of such a fall would have been grave. Indeed, most of the medical professionals he has subsequently
10 encountered have been astonished how little damage he has sustained, for his injuries are no more than superficial, and for that we are all immensely grateful.

But of course our gratitude extends beyond our relief at his luck, and I come to my reason for having requested permission to make this statement, for, once again, those who work in our emergency services have shown a fantastic degree of professionalism but also of empathy that
15 goes beyond the call of duty, for which I know all in this House are proud.

My hon. Friend the Leader of the Opposition stood to make a statement earlier this year praising the Fire Service after his dog had suffered a fall – I certainly hope this trend of falling from objects discontinues immediately. I, however, would like to cite our other emergency services: the Royal Gibraltar Police for their swift investigation of the incident, and those who
20 work in the GHA for the tremendous support that they have provided. In particular, I must mention a few in person who have played a significant role over the last couple of days, though there are many more who have been involved in Simon's care, all vital cogs in the GHA who have ensured he has received the best possible care: the ambulance technicians, Alan Carrara and JJ, who stabilised Simon's condition and made sure he arrived safely at St Bernard's; the anaesthetist, Richard Roberts, who kept us informed of Simon's condition while in Accident and
25 Emergency; the nurses, Antonio Muñoz and Araceli Moreno, for the constant and attentive care they gave Simon while he was in the Critical Care Unit; and to the surgeons, Peter Kovacs and Thomas Boerger, who kept us advised of Simon's progress and condition throughout, and still do. I could mention many more, but that would require some considerable time. It is remarkable
30 how many people it takes to properly treat one person. I salute the staff of the Ambulance Service, Accident and Emergency, the Critical Care Unit, Radiology and Rainbow Ward for their hard work and dedication. Our community is in good hands.

Thank you, Mr Speaker. (*Banging on desks*)

35 **Chief Minister (Hon. F R Picardo):** Mr Speaker, can I just associate myself with the words of the hon. Gentleman.

It came as a shock to me last night when you told me that the hon. Gentleman was going to make a statement on the reports that we had all read in the local media of the young man who had had this accident was the hon. Gentleman's son.

40 Mr Speaker, the people the hon. Gentleman has highlighted for mention in this House, and all the others who he has not been able to mention because, as he says, they are too many to single out, are providing the service that he refers to every single day to many other members of our community, and we must thank them for that, not just in the case of the hon. Gentleman's family, where he has rightly got up to thank them for that purpose, but for the service that they
45 give to all of the community every day.

That is why, Mr Speaker, I do not hesitate to stand by the position of this Government of investing in the public sector, of investing in our public services, and, in particular, investing in the Gibraltar Health Authority and in the Royal Gibraltar Police, and if I may say so, Mr Speaker, the Hon. Minister, who was recently also afflicted by an ailment and was able to experience the
50 fantastic service over which he presides as a Minister when he was dealt with, just like everybody else but very well indeed. *(Banging on desks)*

Minister for Health, the Environment, Energy and Climate Change (Hon. Dr J E Cortes): May I just say, on behalf of the many professionals who have been mentioned, the gratitude to the
55 words that have been expressed both by the hon. Member opposite and by the Hon. the Chief Minister. I am glad to say I have seen the young man on two occasions already and he is recovering well.

I was, sadly, also within the premises of ITU just about a week ago. Fortunately, it was nothing serious. I got excellent treatment too and people were pulling my leg saying that I had
60 got that treatment because I was the Minister. Clearly, I knew that was not the case and clearly this has confirmed that.

So congratulations to all the professionals, not just in the GHA but also in the Royal Gibraltar Police and other emergency services. We must never take them for granted and I know that this House never does. *(Banging on desks)*

Order of the Day

GOVERNMENT MOTIONS

65 **Clerk:** We now proceed to Government motions. The Hon. the Chief Minister.

Commission on Democratic and Parliamentary Reform – View on Public Accounts Committee

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move the motion standing in my name, which reads as follows:

This House recalls that the Commission on Democratic and Parliamentary Reform reported to Parliament in January 2013, notes that the members of the commission were the Hon. A J Canepa GMH OBE MP, the Chairman; Mr C Gomez; the Hon. G Mascarenhas; Mr R Vasquez QC; and the Hon. F Vinet.

It further notes that the unanimously expressed view of the Commission that there is no need to establish a General Purpose Standing Committee or a Public Accounts Committee, given that Opposition Members have every opportunity to examine Government expenditure in detail, as well as debating the report from the Principal Auditor on the Government accounts for every financial year, and hereby endorses the view expressed by the Commission on Democratic and Parliamentary Reform.

Mr Speaker, the proceedings of the Commission on Democratic and Political Reform led to a wide and deep public consultation. This was a process that was begun shortly after the
70 magnificent New Dawn of 9th December 2011 saw the return to Government of the GSLP, now in coalition with the Liberal Party, for the first time since 1996, and we established the Commission on Democratic and Political Reform with, if I may say so, the expert chairmanship of yourself, given your 20 years' experience in Parliament before you returned as Speaker, and with the other individuals that I have mentioned. I would like to say a little more about them.

75 Mr Charles Gomez and Mr Robert Vasquez are both established lawyers in the jurisdiction. Mr George Mascarenhas, I believe, was in Parliament just shy of the 20 years that you were in Parliament for, I think, from 1976 to 1992, first with the Gibraltar Democratic Movement, then with the AACR.

80 Mr Fabian Vinet was a Minister in the GSD Government between 2003 and 2011 and much mystery still surrounds failure of his selection in 2011 for standing as a candidate with the GSD in that ill-fated election for them.

85 So, Mr Speaker, that Commission was hardly a Commission made up of people who did not understand parliamentary procedure. As it turns out, one of the members of that Commission, Mr Vasquez, subsequently decided that he would stop being an independent commentator and would join a political party, the GSD, and he subsequently stood for election at the last election in 2015, and he was not elected. I understand he remains a member of the Executive Committee of the party primarily represented opposite. I can no longer say 'the party opposite', because the hon. Lady of course is on the rocket chair at the end of the row on the right, but the party primarily represented opposite and currently, and I hope for many years, led by the Hon. the
90 Leader of the Opposition.

Mr Speaker, so we have a Commission on Democratic and Political Reform which has set out in detail what the proposals for the reform of our democracy has been, which was set up after the General Election of 2011 and which carries out a detailed consultation exercise with the general public. Apart from just publishing a report in January 2013, you have also published the
95 work in progress that you had and on which you consulted, and you received communications from the public in respect of the issues upon which you were consulting.

You subsequently published, in January 2013, the report to which I have referred, which set out in great detail what your analysis and recommendations were. There were four parts to it. There was a minority report, which dealt with issues relating to backbenchers but did not deal at
100 all with the issue of Public Accounts Committee, which is the subject of this debate. That minority report was by Mr Vasquez QC, who is the person who I refer to now as being a member of the party primarily represented opposite, but it did not deal with the issue of a Public Accounts Committee.

105 So, Mr Speaker, that is the position which is received in this Parliament and there is then wide agreement in the Parliament that there are parts of the report on which we accept recommendations. We set up a Select Committee. In fact, by the time the Select Committee had reported, a lot of the things which were at the same time as being issues dealt with by the Select Committee were our policy and the policies on which we fought the election, were implemented, and, I am pleased to say, in large measure by agreement. So we are televising the
110 proceedings of this Parliament, which is one of the recommendations of the report, because we all agreed that it should be televised. We are holding monthly meetings of the Parliament, because it was our policy that that should be the case, although I seem to recall that the

commission felt that, in fact, monthly might be a little too often. And I set up, Mr Speaker, a Select Committee in order to consider further parts of that report.

115 Now, it is important that we consider again why it was that the Select Committee was set up. Historically, we must put this in context. The position of the Government was that there were a lot of recommendations set out in your Commission which we would immediately accept and that we should proceed with, and that that should be it, and we were ready to act immediately. But we were persuaded, Mr Speaker, *from the Opposition benches*, not to proceed to implement
120 all the reforms which were accepted, but that we should proceed to set up a Select Committee. This was not done on the recommendation of an average Joe – and I do not mean to disrespect Members opposite by suggesting that any of them might be an average Joe; in fact, there are some Joes who are far from average! (*Laughter and banking on desks*) This recommendation from the Opposition benches came from the man who the current – and, I hope, for many years
125 – Leader of the Opposition, Mr Feetham, has described, if not as the greatest Gibraltarian of all time, certainly as the greatest Gibraltarian of *his* time. Well, opinion, of course, Mr Speaker, is divided as to how he was described, but in other words this was a proposal that came from the mouth of a man who the current Leader of the Opposition sees as a political God and who, when he was Chief Minister, used to pretend to speak from St Peter’s chair as if he were a political
130 God.

So, perhaps foolishly, Mr Speaker, the Government, in a moment of extreme parliamentary conviviality, decided to accept that recommendation and set up a Select Committee, and we did so, and as a result it has not been possible to implement many more of the other reforms. I hope we will be able to change that and I hope that the Select Committee which we have re-
135 established for the lifetime of this Parliament will do as you have suggested, Mr Speaker, and deal quickly with the issues that are before it. And if we are not able to do so, the Government, not by lacking conviviality but by wishing to progress the democracy in which we live, may simply have to act and make recommendations. But let us just try to continue with the Select Committee.

140 We have not been able to meet, Mr Speaker, as much of the work of this Parliament has been delayed by consensus since the campaign in the Referendum began and unfortunately the wrong result was delivered. Of course, that has taken up a lot of the time of the Government, but there is another motion on that matter and I will come to that in a moment. But I, in any event, intend to propose reforms to the Select Committee, because I am reminded by the Hon.
145 the Deputy Chief Minister, that we set up the Select Committee on Parliamentary Reform and we set up the Committee on Constitutional Reform in the heady days when the Opposition was united. But now that the Opposition is divided and the hon. Lady sits not with the whip of the GSD, it is our intention, of course, that she should be represented in respect of an important Commission or Select Committee which is going to deal with reform of our democracy and, of
150 course, in respect of the committee that will deal with constitutional matters.

So, that is the state of play in respect of the report of the Commission on Democratic and Political Reform and the Select Committee that has been set up for the purposes of dealing with it.

155 So, Mr Speaker, given that it was from the Opposition benches that we were encouraged not to proceed with the reforms set out by the Commission as reforms that should proceed, but that we should in fact sit down and consider together what those issues were, given that there is a minority report which is prepared by an individual who is a member now of the Executive Committee of the party primarily represented opposite, and given that the report to Parliament on Democratic and Parliamentary Reform actually states that we should not establish a Public
160 Accounts Committee – and I will come to that reasoning in a moment – imagine my surprise when I saw a motion coming not from the GSD Opposition, in my view, that had represented to us that we should sit down and in committee deal with these issues, the self-same GSD Opposition that is already represented in the Select Committee, because it is only Ms Nahon who is not currently represented in the Select Committee, seeking that the House should, by

165 resolution and motion, do the opposite of what the Commission has recommended. Mr Speaker,
I thought that a huge disrespect to the procedure established by the House for considering the
Commission's report. I was surprised that hon. Members who were the party who persuaded us
to take into Committee the recommendations of the Commission were now purporting to do
something different in an area which was contrary to the report of the Commission and not
170 referred to in the minority report of their executive Member, and moved, Mr Speaker, by a
Member of the Opposition benches who had been a Member for a few months and acting
against the recommendations of a Commission chaired by you and including Mr Mascarenhas
and Mr Vinet, who have a cumulative period in the Parliament just among you of approximately
44 years. You have been there for 20 years, Mr Mascarenhas for six, and Mr Vinet for eight. It is
175 as if all of your experience and all of your work counted for nothing, and all of the Government's
conviviality in accepting that we should deal with these matters in Select Committee were as
nothing to the Member who had spent less than six months here – because there is another
motion on the Order Paper that will seek to go entirely contrary to the recommendation of the
Commission.

180 And so, Mr Speaker, at that point I believe I should come to it. Recommendation 2.8 on
Standing Committees sets out the following, and I am going to read it in full so that it is in the
Hansard:

2.8 Standing Committees

We have considered whether there is a need for an increase in the number of parliamentary standing committees
and whether one of these should be a general purpose committee. The standing orders only made provision for
one standing committee, i.e. a Standing Rules Committee

– which, of course, was also established just after the election, Mr Speaker –

We have also considered whether a Public Accounts Committee should be reintroduced as it existed from 1980 to
1984. That committee was composed of two Opposition Members, one of whom was a Chairman and two
Government Members. There have been varied views from respondents, but in the main there has been support
for a Public Accounts Committee and there have been suggestions that such a committee should be chaired by a
Deputy Speaker and that backbenchers should form the backbone of the committee. We are of the view that the
1980-84 Public Accounts Committee proved ineffective, impracticable and unworkable, particularly because
Ministers were expected to scrutinise and question senior executives of their ministerial colleagues' Departments.
If a Public Accounts Committee were to be set up, it would be essential for Government backbenchers to take the
place of Ministers.

We have concluded that there is no need to establish a General Purpose Standing Committee nor a Public
Accounts Committee, given that the Opposition Members have every opportunity to examine Government
expenditure in detail, as well as debating the report from the Principal Auditor on the Government accounts for
every financial year.

185 Two things, Mr Speaker, I think are important to highlight about that recommendation – or
that lack of recommendation, because where you make a recommendation for action you
actually box it in and make a specific recommendation. Here, you are saying there should be no
Accounts Committee set up.

190 First of all, there was a Public Accounts Committee from 1980 to 1984. Both yourself and
Mr Mascarenhas, who were members of the Commission, were in Parliament between 1980 and
1984. So two out of the five members of the Commission were speaking authoritatively as
people who had parliamentary experience, one of 20 years the other of 16 years, and had been
Members of this House when there was a Public Accounts Committee.

195 And another thing, Mr Speaker: there is no member of the Commission who is a member of
the executive committee of any of the political parties represented on this side of the House. So
this is a totally independent Commission of whom two members have lengthy parliamentary
experience and of whom those two very members were also in the Parliament when the Public
Accounts Committee was established in the history of our Parliament.

So, Mr Speaker, I think that the Commission has done the work of demonstrating, through
public consultation, through consideration and through a lengthy Commission report which will

200 continue to be the basis upon which the Select Committee considers its work, once it has been
reconstituted with the hon. Lady having the option to be a part of it if she wishes ... and,
therefore, to see a suggestion that we should act contrary to the advice of the Commission, so
established, with all of the experience that the hon. Members who were part of it brought to it,
seems to me a huge disrespect to the work done by that Commission, and the Government
cannot be persuaded to do anything other than entirely endorse the work that you have done
205 and to accept the view set out by that independent commission that there is no need to
establish a General Purpose Standing Committee nor a Public Accounts Committee, given that
Opposition Members have every opportunity to examine Government expenditure in detail as
well as debating the report from the Principal Auditor on the Government accounts for every
financial year.

210 I remind Members opposite that, not this year but last year, in the debate on the estimates
for the year 2015-16 they almost asked no questions in the Committee stage. There are plenty of
opportunities to analyse every item of expenditure in Gibraltar. This is not about disclosing more
or disclosing less; it is about hon. Members using the opportunities that they have and not
pretending to come here to act contrary to the recommendations of an independent
215 Commission which has included members of the experience that I have referred to before. For
that reason, Mr Speaker, I commend that the House support the motion. (*Banging on desks*)

Mr Speaker: I now propose the question in the terms of the motion moved by the Hon. Chief
Minister. Does any Member wish to contribute to the debate?

220 The Hon. Roy Clinton.

Hon. R M Clinton: Mr Speaker, it is regrettable that the Government has seen fit to bring this
counter motion in what the *New People* describes quite simply as an attempt to hijack my prior
motion for the creation of a Public Accounts Committee.

225 What is even more regrettable is that the Government, rather than argue the merits or
otherwise of having a Public Accounts Committee, has sought to copy its homework by referring
to the report of the Commission on Democratic and Parliamentary Reform, of which, of course,
you, Mr Speaker, were the distinguished Chair.

230 The Commission reported in January 2013 after being appointed on 2nd March 2012 with
wide terms of reference, and I quote:

requiring to report on all aspects of the parliamentary and electoral system in Gibraltar and to make
recommendations therein to Parliament.

The final report was extensively debated in Parliament in June 2013, recommendation by
recommendation. At the conclusion of that debate, the following resolutions were passed as
follows:

This House welcomes the work done by the Independent Commission on Democratic and Parliamentary reform;
further welcomes that the Commission was able to report to the House ahead of schedule; notes and welcomes
that the Commission has made clear recommendations in proposing areas of reform for the workings of this
Parliament and for democratic reform; and having today debated and considered the recommendations of the
report, will refer the said report to a Select Committee on the implementation recommendations of the
Independent Committee on Democratic and Parliamentary Reform (to be known as 'the Select Committee on
Parliamentary Reform'), which is hereby established to include three members appointed by the Chief Minister
and two appointed by the Leader of the Opposition to consider the implementation of appropriate
recommendations of the report.

235 Mr Speaker, as you are aware, the Select Committee was reconstituted this year and has yet
to meet, and has not, to my knowledge, issued any report in respect of the implementation of
any appropriate recommendations. It is at this stage that I need to point out that the view that
was quoted by the Chief Minister in his motion is merely that, a view. It was not issued as a

recommendation in a final report for consideration by Parliament. That view, it would appear, had already been arrived at by the Commission's members upon issuing the consultation document and thus before taking evidence on the utility of standing committees of Parliament.

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In their final issued report the Commission stated as follows, and I quote:

There have been varied views from responders, but in the main there has been support for a Public Accounts Committee.

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The Commission, they went on to say the exact opposite in the final report, namely:

We have concluded there is no need to establish a General Purpose Committee, nor a Public Accounts Committee, given that Opposition Members have every opportunity to examine Government expenditure in detail, as well as debating the report from the Principal Auditor on the Governments accounts for every financial year.

Alas, Mr Speaker, in my opinion, the Commission erred in its view. The Committee membership did not count on a single accountant and was dominated by no doubt well-meaning lawyers with, alas, no experience in such matters. A Public Accounts Committee, as a select committee of Parliament, serves a much wider role, in scrutinising the use of public funds and in calling in witnesses and preparing reports for Parliament, than merely engaging in political debate. (A Member: Hear, hear.) It is an essential tool most parliamentary democracies understand and have in their armoury of checks and balances on the executive and public servants. The Mother of all Parliaments in the United Kingdom has had a Public Accounts Committee since 1857, and no one has suggested it is redundant. On the contrary, its remit has grown with the increase and complexity of public finance and procurement.

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Mr Speaker, I took the liberty of discussing the usefulness of the last Public Accounts Committee with its Chairman, Major Frank Dellipiani and he has kindly allowed me to express his view that it was indeed useful. In fact, Major Dellipiani told me that Sir Joshua Hassan himself was entirely supportive of the Public Accounts Committee because, to quote Sir Joshua, he had 'nothing to hide'.

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I have also heard from a former senior civil servant who gave evidence to the Commission, who stated that it was important that Heads of Department felt they could be held accountable to Parliament if a Public Accounts Committee existed. This would perhaps, Mr Speaker, avoid the need for the Chief Minister to call in the Heads of Departments on 5th December and read them the riot act as regards expenditure in the final quarter.

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Thus, Mr Speaker, the Chief Minister's motion is lazy, in that he is relying on an ill-considered view that has not even been the subject of a recommendation to Parliament, and indeed is contrary to public opinion, by the Commission's own admission.

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In my own motion, which, I should add, preceded the Government's motion, I will argue the positive case for the creation of a Public Accounts Committee, based on reasoned argument, modern practices and the public good.

I would ask the Chief Minister to indicate that he will allow his Ministers a free vote on this motion, because I would like to think that Members of Parliament would want to improve its workings, rather than stifle transparency.

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And so, Mr Speaker, I really have nothing further to say on the Chief Minister's motion, other than to ask this House to reject it as worded and allow me, in my motion, to set out the positive case for the creation of a Public Accounts Committee for the public good.

Finally, Mr Speaker, I hereby give notice that I will be calling for a division at the end of this debate, so each Member's position is clear. (A Member: Hear, hear.)

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Thank you, Mr Speaker. (*Banging on desks*)

Mr Speaker: Does any other hon. Member wish to speak on the motion? The Hon. the Leader of the Opposition.

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Hon. D A Feetham: Mr Speaker, yes, thank you very much.

I am certainly not going to respond to the Hon. Gentleman the Chief Minister's barbed comments; I think they are something we should have left in the sixth-form playground many, many years ago, and it is something that is, in fact, turning people away from politics, and it is not something that we should be bringing to this House.

But I do think that the Hon. the Chief Minister's reasons for supporting his motion, behind his motion, are both confused and indeed confusing. What he is effectively saying is that the Commission on Democratic Reform, chaired by Mr Speaker, has a cumulative experience of 40 years, between various individuals, of parliamentary experience, and it would be, to quote him 'a huge disrespect' to the Commission, and in particular to those members, for the Hon. Mr Clinton's motion on the Public Accounts Committee to be endorsed by this House. It is, quite frankly, Mr Speaker, a ridiculous assertion to make. The Commission on Democratic Reform reported to Parliament for the specific purpose that Parliament consider its recommendations, and the Select Committee that was established was establish precisely to consider what recommendations that were made in their report would be adopted by Parliament and which ones would be rejected. Effectively, what he is really saying is that the work of the Select Committee over the last four years – and I will come back to the work in a moment – is a complete sham, because we might as well, all of us, endorse the recommendations of the report produced by the Democratic Commission on Parliamentary Reform. It is absolutely ridiculous, Mr Speaker. It drives a coach and horses through the entire purpose of the Select Committee.

The reality was that that report was debated in 2013. If one looks at the debate in 2013, anybody who cares to look at it will see that different views were expressed, certainly on this side of the House, to different recommendations made by the Committee in the report. Some were endorsed on this side of the House, some were rejected from this side of the House. And indeed, on this side of the House we have always been supportive of a Public Accounts Committee, Mr Speaker.

I do not criticise him for it, because everybody is entitled to change their view, but the hon. Gentleman has referred to Mr Vinet, who was a member of the Government, that I had the privilege and the pleasure to serve the people of Gibraltar between 2007 and 2011. Mr Vinet stood in this House on a motion on parliamentary reform in 2011, endorsing the virtues – in very passionate terms, it has to be said – of backbenchers and the creation of backbenchers, and Mr Vinet is one of the individuals in the Commission who has effectively gone against his previous view. I do not criticise him for it, because everybody is entitled to change their views, but what the hon. Gentleman cannot do is come to this House and give the impression for all the world to see that, effectively, the report by the Commission on Democratic Reform was a fait accompli and that somehow, because we do not agree with one or two or three of his recommendations, that we are showing disrespect to the Committee or that we are somehow doing a volte-face on our previous position – because nothing could be further from the truth.

Mr Speaker, indeed, the view that we express today on the Public Accounts Committee is the view that was expressed from this side of the House in 2013 and is the view that was expressed by some of us when we were in Government for the GSD in 2011 when we debated a motion on parliamentary reform that was moved by the then Chief Minister, Peter Caruana, as he then was. Mr Speaker, even if that were not so, even if we had not, in 2011 – or some of us had not – extolled the virtues of a Public Accounts Committee, even if we had not extolled the virtues of a Public Accounts Committee in 2013, what has happened between 2013 and to date is that the Hon. the Chief Minister and his Government have retreated behind a curtain of secrecy in the management of our public finances, because they are not answering questions on the public finances of Gibraltar. So when the Committee says that we can debate every single year the accounts and the estimates of this community and that therefore we do not need a Public Accounts Committee, well, of course, Mr Speaker reported in 2013 that Credit Finance...the £320 million that was paid from the Savings Bank into Credit Finance – that was in 2013, post the report from the Commission. The huge debt that this community has incurred and has been

saddled with by hon. Gentlemen opposite subsequent to 2013, which now stands at an eye-watering £1.1 billion ... £1.1 billion, when the hon. Gentleman used to say in 2011 that the GSD was addicted to debt, when it was less than half of that.

Mr Speaker: May I remind the Hon. the Leader of the Opposition of the contents of the motion and point out to him that, under the guise of this motion, I am not going to allow Parliament to debate public debt. So will you please stick to the motion. You can make a reference as an aside, which I take it that you have done. I take it that you have made a reference as an aside, and therefore I allow you to do that, but not to debate public debt.

Hon. D A Feetham: Mr Speaker is aware that this motion is on the Public Accounts Committee, which is a Committee that is set up in order to examine the public finances of this community. Therefore, to disassociate ... The point I am making, and with respect to Mr Speaker, is a point –

Mr Speaker: No, the –

Hon. D A Feetham: May I be allowed to finish?

Mr Speaker: No. Sit down a moment, and then I will allow you.

It does deal with the Public Accounts Committee, and the Public Accounts Committee in general terms would be able to look into the question of public debt, but not a specific situation which we have in Gibraltar at the moment – and that is the issue. In general terms, yes, but not in specific terms now. Carry on.

Hon. D A Feetham: Mr Speaker, I do not want this to turn into – which, unfortunately, on many other occasions it has turned into – an exchange between the Leader of the Opposition and the Speaker; not, I have to say, in my respectful view, of my own making. But, Mr Speaker, the reality is that the Committee that Mr Speaker chaired was a Committee that said, ‘We do not recommend a Public Accounts Committee, because one can thoroughly debate and examine in detail the estimates of accounts and expenditure for the Government of Gibraltar every single year. The point I am making, Mr Speaker, which is a point that I believe is well made and reasonable, is that that Committee reported prior to the setting up of Credit Finance Company Ltd. The position that the Government has taken on public debt ... and that is the point, that today, more than ever, Mr Speaker, because of the policies of the hon. Gentlemen opposite and the Government that the Hon. Gentleman the Chief Minister leads, it is more necessary than ever to have a Public Accounts Committee to scrutinise these issues, including the issue of, effectively, for example, what are the levels of cash reserves that the Government has, which would then allow us to calculate net debt. That is the point that I was making, Mr Speaker, and I believe it is a point that is well made.

To summarise, Mr Speaker, and conclude, the reasons that the hon. Gentleman has provided in support of his motion are confused and confusing. There is absolutely no nexus at all between our supporting a Public Accounts Committee and any view or disrespect that we may have for Mr Speaker’s Committee. In fact, that report was and has to be considered by the Select Committee. And, of course, Mr Speaker, I also remind the Hon. the Chief Minister – and I was about to turn to this particular point before Mr Speaker interrupted me – that he controls the timetable for the Select Committee. The Select Committee has met only twice since 2013 – or three times, I beg your pardon, because once I was not here, for personal reasons – so any implication or any suggestion that there has not been movement or a final decision on the recommendations from the Select Committee because of anything that the Opposition has done is totally and utterly rejected, because he controls the timetable and he controls by when the Select Committee can report to this House.

390 For all those reasons, Mr Speaker, we will be voting against the motion, although I have to say that upon the invitation of my hon. Friend, Mr Clinton, I will be allowing Members on this side of the House a free vote on this motion. (*Banging on desks*)

Mr Speaker: Does any other hon. Member wish to contribute to the debate? The Hon. Ms
395 Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, when the hon. Gentleman, Mr Roy Clinton, just quoted my late father, it made me think: what do we have to hide and why would we want to scrap the concept of any Public Accounts Committee or any committee which involves
400 scrutinising public spending? How could it be detrimental to have such a committee at a time like now, when we should be welcoming any and every platform to scrutinise public spending and public accounts? What do we have to hide? (*Banging on desks*)

Mr Speaker: Any other contribution?
405 I will, then, call upon the Chief Minister to reply.

Hon. Chief Minister: Thank you very much, Mr Speaker.
I will start at the end: absolutely nothing, or exactly the same things that – the hon. Gentleman has brought the hon. Lady’s father into the debate – exactly the same things that the
410 AACR had to hide between 1972 and 1980, when there was not such a committee, and between 1984 and 1988, when there was not such a committee. Because, having had a committee only for one term out of the distinguished 40 years that the Hon. Sir Joshua Hassan was Leader of this House and its predecessors, it is clear to me that it was absolutely right that, although there might be absolutely nothing to hide, the Committee added very little. And that is why the two
415 people, Mr Speaker, who were in the Commission, who served with Sir Joshua Hassan with distinction – yourself and Mr Mascarenhas – actually recommended that we should not have such a committee.

Let’s understand what we are talking about in respect of such a committee. That is in effect to have a Budget session every month. In a Parliament where there are 10 Ministers, and two of
420 them are going to have to be in the Parliament holding a Budget session and bringing members of the senior Civil Service into this Parliament to have a Budget session with them every month. The hon. Gentleman is a retired banker and accountant – he has got nothing else to do, other than to try and grind the community to a halt and its Government, asking for the price of PG Tips (*Laughter*) and digestives. Well, this Parliament does not work like the Westminster Parliament.
425 There are not 650 of us here and there are not backbenchers here, Mr Speaker – and I will come to the issue of backbenchers and how it is relevant to this.

So there is absolutely nothing to hide. That is why we want to put much more information on line – and I will come to that now – including information relating to net debt, gross debt and spending; not to give it to the privileged few who, in this Parliament, think that they should be
430 entitled to things so they can squirrel away and try and find the price of eggs, Mr Speaker, but to the whole community, so that the whole community can see in real time where the debt is, or as close to real time as that may be possible – and I will come to that in a moment, Mr Speaker.

The hon. Gentleman says it is regrettable – coming to my response to Mr Clinton – that I have hijacked his motion. Well, what the hon. Gentleman is never going to be able to get away with is
435 the suggestion that he is somehow trying to be a collegiate and add to the way that our democracy works by putting a motion to create a committee of the House without picking up the phone and calling the Chief Minister, who has the majority of the votes in the Parliament, and saying, ‘Fabian, I am thinking of doing this: what do you think? I think it would add to the way that we do things in Parliament. If I were to put this motion, would you be prepared to
440 support it? Or, alternatively, would you suggest a motion in such terms which we could support?’ Well, Mr Speaker, in the time that he has been privileged to be a Member of this

House, although he has sent me back his tickets to the GMF in an envelope amusingly marked 'Urgent Parliamentary Business' – although I commend him for it, because I was able to give his tickets to somebody else, whilst the Hon. the Leader of the Opposition sent me a letter through his secretary on the letterhead of his law firm, which did not arrive until Tuesday and nobody took the benefit of those tickets – that is the only communication I have had from him ... and the letter now which I think is pending answer, in relation to a question that came up in the context of the Budget debate, and I have been travelling so I have not been able to give it attention yet, but I will. But if you are going to be bringing a motion and you want it to prosper, then I think you should ask the guy who leads the team that has got the most hands to put up in this place. I know that they proceed on the basis that politics is not a popularity contest, although that is how it was established in Athens more than two millennia ago: it is the people who get the most votes who get in, and with the most votes they pass laws. But if they get over this idea and they would like to form part of the process of change and they want to persuade the Government of something, they just have to pick up the phone. I would have told him in this instance, 'Roy read the report on parliamentary ...' – I would have called him Roy, and not the hon. Gentleman, over the phone ... 'Read the report on the Commission, which says the opposite, and Sir Joshua Hassan – who said he had nothing to hide, to Mr Dellipiani, by the way – did not have a Commission when he came back the following year in 1984 and he did not have one between 1972 and 1980; and I assume and entirely believe that Sir Joshua had nothing to hide in those years either or in the years before. So it is not about hiding anything.

But I will say one thing, Mr Speaker, to the hon. Gentleman. I continue to commend his reading of the *New People*. It is an excellent publication. It was wrong to ban it from No. 6 Convent Place, it was wrong not to send them press releases, it was wrong to keep the editor of the *New People* out of Government press conferences. That has now been fixed. We did not need the Commission on Parliamentary Reform to sweep away the attempted secrecy in keeping from that inquisitive media of Government information, and, in fact, for the first four years that I was at No. 6 Convent Place, a copy of the front page of the first edition of the *New People* after the glorious new dawn of 9th December 2011 hung in my office, and if I find it again I will make sure it is put back in its rightful place so the hon. Gentleman can see it when he comes to meet me for extra-parliamentary meetings.

Mr Speaker, on the issue of a free vote – this is an issue that might come up again during the course of this meeting or the next meeting – I do not carry a whip hand in the way that I do politics. I note that the highly experienced Rosie Winterton, who has been Chief Whip of the Labour Party through many leaders from the time of Tony Blair, Gordon Brown and Ed Miliband, has recently, this morning, been announced not to be Chief Whip anymore as a result of the ongoing reshuffle that Mr Corbyn is carrying out. On this side of the House, the hon. Members can see the ministerial portfolios. No one is a whip. I do not whip my people, or indeed the Hon. Dr Garcia's people. The Liberals might get up to that sort of thing in private, (*Laughter*) but certainly I have never seen it happen in the privacy of the Cabinet Office, Mr Speaker! People here always are encouraged to vote their consciences. We come here with a position which we think is right for the community. We come here with a view that we have arrived at together in consensus. Nobody here is being told to vote one way or vote the other, because I would not have the conscience to tell somebody not to vote their conscience. So I am sorry to tell him that all of the defeats that he has suffered in the past six months when he has put motions since he was elected, and that he will continue to suffer if he continues to put motions in a way that are not going to be agreed between us, those are all not inflicted by a conniving Picardo whipping the other nine to support him and vote in a particular way. This is the 10 opposite him not voting with him of their own motion and in full conscience of what they are each doing.

Mr Speaker, I also noted that the hon. Gentleman got up and delivered the speech that he had written in response to my motion and ignored much of what I had said. He said, for example, 'the Committee has yet to meet' – I had explained why the Committee had yet to meet; 'the Committee has not issued a report yet' – of course it has not, because it has not met,

495 for the reasons that I had explained. He thought he would just read his speech. Perhaps when he
is a little more experienced in parliamentary terms, and despite the fact that he is an accountant
and not a lawyer, he may be able to get up and deal with issues as they arise in debate and not
have to rely just on the speeches that he has written.

Mr Speaker, the hon. Gentleman then went on to denigrate the work of the Commission by
suggesting that you had not taken sufficient cognisance of what the public believed in making
500 your view clear that there should not be a Public Accounts Committee. The hon. Gentleman said
there is no recommendation, there is just a view. Well, it is because when there is a
recommendation to do something it is in a box; when they take a view in the Commission that
something should not be done, they just express it in that way, and that is their
recommendation on that subject. Mr Speaker, the fact is that whether they are accountants or
505 lawyers – and there were three lawyers and no accountants – there were two members of that
Commission whom I will not tire of telling him were with Sir Joshua, who had nothing to hide
when he had an Accounts Committee and when he did not have a Public Accounts Committee
and who were in this House for the period when there was a Committee, and they took the view
that there should not be a Committee. I think they are much better qualified, Mr Speaker, to
510 give a recommendation than somebody who simply has an accountant's qualification. You are
dealing with people who were in this Parliament for four years and are able to say, 'We believed
that there was no need for the Committee, although we had nothing to hide,' because we are
not going to assume for one moment that Sir Joshua had nothing to hide but that
Mr Mascarenhas did or indeed that Mr Canepa did – of course not. Nobody had anything to
515 hide, but there was still the view taken, rightly, despite the absence of accounting qualifications,
that it was not the best way to spend the time of this House.

Mr Speaker, I am accused of barbed comments when I say something slightly political, and
yet I am exposed to allegations of laziness. Now, look, Mr Speaker, opinions of me may be
divided on many subjects, and I am sure that they are, because the minute you win an election
520 people rightly take a view about you, and if you are in politics and you do not divide opinion,
good luck to you, you are never going to get anywhere. I divide opinion. That is fine, I am up for
that, but I do not think anybody could reasonably call me lazy, and so to say that I am bringing a
lazy motion when I am spending already over an hour of Government time debating a motion in
this Parliament and preparing for it, and then be accused that I am the one who brings barbed
525 comments into the debate and that I do this on a sixth-form basis, and yet somebody who has
obviously spent quite a few hours thinking of a phrase like 'confused and confusing', that does
not otherwise roll off his tongue unless he thinks about it and spends time writing it down to
read it out to the House, is really quite a joke, and that is to conflate both the attitude of the
Hon. Mr Clinton and the attitude of Mr Feetham.

530 But, look, Mr Speaker, let me tell them what is confused and confusing. The hon. Gentleman
says the Commission has done the wrong thing because the public has told you that they would
like to see a Public Accounts Committee and you have recommended that there should not be
one. Well, for good reason, because none of those members of the public are likely to have been
in this Parliament when it was the House of Assembly between 1980 and 1984 when two
535 members of the Commission were members and that is where they made the recommendation.
But how confused and confusing that you want the Commission to follow the public's view on
this subject, and yet on the other subject, where the Members opposite represented in the GSD
take a contrary view, the public said this, which is the issue of backbenchers. On page 13 of the
Commission Report the last sentence:

The majority of the responders are also opposed to any increase in the size of the Parliament, as the electorate is
well served by 17 elected Members and the additional expenditure is unwarranted.

540 So they want you, Mr Speaker, to follow the view of the public when it accords to them and
they say that they really cannot understand why you do not take the view; and yet, when you do

545 follow the views of the public, which is to say the public do not want backbenchers and the Commission reports that there should not be backbenchers, there they want you to go *against* the views of the public. Confused and confusing, Mr Speaker. Sorry that that might sound like the sixth form, but I think the whole community is going to be in the sixth form trying to work out what it is that the hon. Members want. They position themselves with the public when they think it suits them, and they position themselves against the public when they think it suits them. Confused and confusing, Mr Speaker. Confused and confusing.

550 Anyway, Mr Speaker, the hon. Gentleman, Mr Feetham, when he gets up as the current Leader of the Opposition, says that I said that you represented, with Mr Mascarenhas and with Mr Vinet, 40 years of experience. Well, Mr Speaker, I think actually he misquotes me even in that respect, and the arithmetic I think I referred to was 44. The experience represented by members of the Commission who had been parliamentarians was 44 years. In fact, that is the experience contained in – no ordinary Joe – Joe Bossano, who has had, himself, 44 years, on his own, of experience of this Parliament. Of course, Mr Speaker, as I often tell the House, I can never forget that, because he got in in 1972 and I got out in 1972. Namely, I got out – I was born – in 1972, (*Laughter*) so I always remember how many years he has been here. (*Interjection*) Listen, I cannot refer to what I got out of, Mr Speaker, because it would be unparliamentary, I suppose, but it is really, frankly, important for the House to reflect on the fact that a Member with 20 years' experience yourself, a Member with 16 years' experience, Mr Mascarenhas, both of them Members at the time that the House had a Public Accounts Committee and had nothing to hide, and Mr Vinet who was a Member of this House for eight years, and Mr Bossano who is a Member of the House for 44 years and counting – (**Hon. J J Bossano:** Absolutely.) *por muchos años*, Mr Speaker, as they say in El Calpe, where I am from – all are against the establishment of a Public Accounts Committee, (**Hon. J J Bossano:** Yes.) and the hon. Member brings us what he says is a quote from Mr Dellipiani about what Mr Dellipiani says the Hon. Sir Joshua Hassan, who is no longer with us, said. Well, Mr Speaker, I know he is an accountant and he is not a lawyer, but that statement offends the rule against double hearsay. So, if he does not mind, I am going to rely on the statements put in black upon white by the Independent Commission and the advice of Joe Bossano.

575 Mr Speaker, then Mr Feetham says that the Select Committee was established to report to the Parliament and it has not yet reported to the Parliament, and that the Commission had reported to the Parliament and all the rest of it, and that we had debated in the Parliament. Well, look, when the Commission reported to the Parliament, the Commission did not envisage that we were going to set up a Select Committee to consider its report. It cannot have, because nobody envisaged it, and in fact it was in the ante-Chamber that the greatest Gibraltarian of his, of all time approached me and suggested that we should have a Select Committee. We considered it, and, in that moment of conviviality, decided to do it, and we could have just dealt with the reports to Parliament in Parliament, we could have just dealt with it then, and then there would be no need for a Select Committee to meet. Of course, Mr Speaker, it is difficult for a Select Committee to meet, because we need to find time for it, etc. Well, it will meet, Mr Speaker, because we have now determined to go down that road, but I remind the hon. Gentleman that on occasion it was not possible to meet because of his diary commitments, and we went ahead without him on one occasion. On one occasion we went ahead without him, but on other occasions we were unable to meet because of his diary commitments.

585 The hon. Gentleman says, of course ... as you would expect them to, because another confused and confusing aspect of what Members opposite, except the hon. Lady, do is that they say, 'We don't want to talk about history; we just want to look forward. Why are you looking at history?' But then they refer us to history when it suits them, and so the hon. Gentleman's reference to history is to say that the GSD has *always* been in favour of a Public Accounts Committee. Well, an ex-Member of the GSD in this Parliament, Mr Vinet, is no longer in favour. He might have been in favour before, but that was before he heard all the evidence and considered it in Commission. And a current Member of the GSD executive was against – in fact, I

595 think it may be the Chairman of the GSD Mr Vasquez may be the Chairman of the GSD, as I
understand it, and a candidate at the election – he was against a Public Accounts Committee
when the recommendation was made. The hon. Gentleman says that is no volte-face. Mr
600 Speaker, I am not going to talk about people who are not here to defend themselves; I am just
expressing the position that they expressed. Whether it is a volte-face or not is another matter. I
am not going to express a view in respect of people who are not here to defend themselves or to
put their view. Nobody needs to defend themselves. But hon. Members were in Government
between 1996 and 2011. Mr Speaker, there was a lot of whipping then – I still have the scars on
my back! *(Laughter)* There could have been parliamentary reform in a moment in the way things
were done then. There was no collegiate conviviality in this Parliament and Select Committees
established; there was then the rule of the rod from St Peter's chair. *(Laughter)*

605 Mr Speaker, where is the Select Committee that we were able to attend meetings of between
1996 and 2011? Where is that fulsome and constant support? Or is it that we are to judge the
absence of a Select Committee between 1996 and 2011 as something to hide? Or is it that hon.
Members apply a measure to themselves and a measure to others? So, if there is not a volte-
610 face, there must at least have been a difference of opinion – which I suppose is the posher way
of explaining it, Mr Speaker – because when they were in Government they did one thing, and
the minute they are out of Government they start recommending another.

And then we had this attempt to turn the debate to this question of the curtain of secrecy
and the debate of debt. Mr Speaker, on that issue you rightly say this is not what this motion is
about, but hon. Members are from Mars and we are from Venus. As far as we are concerned,
615 Gibraltar's public finances are stronger than ever. We have already explained our position on the
debt. Hon. Members just want to pretend to the public that we are not being transparent. They
are going to find it very difficult, Mr Speaker, because what we are saying is we will continue to
give you everything you have always had, we will continue to give you everything you gave when
you were in Government. What we will not give you – because we cannot be sure of the
620 accuracy, and then if we give it and it is not accurate you are then going to come back at us – is
the management accounts on a day-to-day basis more accelerated than ever before. That is
what is not going to happen. This is not an attempt at secrecy; this is an attempt at accuracy and
at then transmitting information further than just in this Parliament, to the whole community. I
know that the hon. Members think that they should be privileged to have information here, laid
625 in this House just for them. Even things which are public, they want us to go and fetch them for
them and bring them and put them at their feet here. Look, it is not going to happen, Mr
Speaker. We believe in openness and transparency to the whole community. That is why we are
going to give more information than they gave on debt, net debt and gross debt, but we are
going to give it online.

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Mr Speaker: May I also ask the Chief Minister to limit himself now on the question of public
debt.

635 **Hon. Chief Minister:** Absolutely, Mr Speaker. I will not argue with you, as the Hon. the Leader
of the Opposition does every time that you rule against him.

And so, Mr Speaker, that issue which I have no doubt we will be able to debate in respect of
some of the other motions that are on the Order Paper, or when the time comes, is irrelevant to
this, but of course it is an attempt to hijack this debate for that purpose – which you, if I may say
so, with respect, Mr Speaker, rightly spotted and brought us both back onto the straight and
640 narrow.

But, Mr Speaker, the one thing the hon. Gentleman did say, which I have to reply to him on,
is that he said, 'Of course, the recommendation of the Commission was before Credit Finance;
now we need this because Credit Finance has been set up.' Well, look, Mr Speaker, Credit
Finance has been set up. It has got nothing to do with the public accounts of Gibraltar; it has got
645 to do with the Savings Bank. This is even more off tangent than the hon. Gentleman was going

before, but he just wants to make it all about that, despite having suffered a crushing electoral defeat, having staked all his eggs in that basket before. Credit Finance would not come within the purview of a Public Accounts Committee; it is a subsidiary of the Savings Bank.

650 **Hon. D A Feetham:** No, it's not.

Hon. Chief Minister: Well, Mr Speaker, it is not a company (*Interjection*) that would come within the purview of the Public Accounts Committee, which is their complaint. It is their complaint, so how can they pretend to fix the malaise that they say is there with something that is aimed in a completely different direction? It does not make absolutely any sense. But they, Members opposite, say that all of that attempt to row contrary to the conclusions of the Commission on Parliamentary and Democratic Reform, is not to disrespect its findings. Well, Mr Speaker, to recommend the complete opposite of what the Commission has proposed but to try and side with some members of the public – we do not know how many – on that, and to also try and go completely contrary to the view expressed by the Commission, absent the minority report on the other issue, despite the public being on the same side as the Commission, is to do a volte-face on where the Commission should be, whether it should just be with the public or not, is to disrespect the Commission, and is, frankly, Mr Speaker, an attempt to just bring to this Parliament issues to try and raise the spectre of a lack of transparency in respect of a Government which is more transparent than any Government in history has ever been – because technology avails us of opportunities to do so – that puts more information of the sort that would be before the Public Accounts Committee online every day – for example, travel expenses and any other expense, where before hundreds of questions had to be asked orally in this House to get that information and which information is now there for every member of the public to see, not just Members opposite.

For all of those reasons, Mr Speaker, I commend the motion to the House as it stands on the Order Paper and I do not mind telling the hon. Gentleman that of course that means that we will not be supporting the motion which he brings later. And I suggest to him that he should consider that this is the debate that we would have had in respect of that motion and that he may wish simply to save parliamentary time and proceed now to seek to garner sufficient votes. Now that the debate is over, we will see how people vote, and if he sees that he has not managed to persuade any of the Members on this side of the House, who will vote their consciences freely on the subject that he has referred to in the context of this debate and on the subject of this motion, he may want to abandon his motion when it comes later on, because we are just going to be arguing exactly the same thing over and over again and reaching the same conclusion.

Mr Speaker: I now put the question in the terms of the motion proposed by the Hon. the Chief Minister, and the Clerk will now call a division as requested.

A division was called for and voting resulted as follows:

FOR	AGAINST	ABSENT
The Hon. P J Balban	The Hon. R M Clinton	None
The Hon. J J Bossano	The Hon. D A Feetham	
The Hon. Dr J E Cortes	The Hon. T N Hammond	
The Hon. N F Costa	The Hon. Ms M D Hassan Nahon	
The Hon. Dr J J Garcia	The Hon. L F Llamas	
The Hon. A J Isola	The Hon. E J Phillips	
The Hon. G H Licudi	The Hon. E J Reyes	
The Hon. S E Linares		
The Hon. F R Picardo		
The Hon. Miss S J Sacramento		

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Mr Speaker: There are 10 votes in favour of the motion, 7 against. The motion is carried.

**Select Committee on the European Union –
Establishment of**

690

Clerk: The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move the motion
695 standing in my name, which reads as follows:

This House regrets that the outcome of the Referendum on 23rd June 2016, on whether the United Kingdom and Gibraltar should remain in the European Union or should leave, resulted in an overall decision to leave; notes the statement made by the United Kingdom Government that Gibraltar will be fully involved in the formulation of the United Kingdom's policy in relation to a potential withdrawal from the European Union, known as a 'Brexit'; welcomes the declared intention of the Government and Opposition to co-operate in determining both the impact on Gibraltar of a potential withdrawal from the European Union and Gibraltar's future relationship with the European Union; considers that the formal structure to take this co-operation forward should be a select committee of the House, which will be known as the Select Committee on the European Union; believes that the composition of the Select Committee should reflect the composition of the House; and hereby resolves the establishment of a select committee to report to the House on these matters, consisting of four Members nominated by the Chief Minister and two Members nominated by the Leader of the Opposition and the Independent Member of Parliament.

Mr Speaker, it is now over a hundred days since the morning of 24th June when Gibraltar and the rest of the United Kingdom, Europe and the world heard the result of the view of the British people that the United Kingdom should leave the European Union. In that time, hon. Members will know that the Government has been engaged in a lot of work of lobbying and in a lot of
700 work of preparing the Gibraltar public sector and private sector for the purposes of providing all of the information necessary to the United Kingdom in the context of the negotiation that will take place when Article 50 of the Lisbon Agreement or Treaty is triggered. The Prime Minister, hon. Members will know, has indicated in a speech to her party, not to the Parliament, that it is her intention to trigger Article 50 by the end of March at the latest.

705 Mr Speaker, it is also true that in the United Kingdom Parliament a similar mechanism for the understanding by Parliament of the work being done by the executive on Brexit is to be adopted and a select committee is to be established to deal with Brexit issues. I am delighted to say that I shared a platform with Hilary Benn of the Labour Party, who is seeking to be appointed – as he confirmed at that *New Statesman* fringe event around the Labour Party Conference events in
710 Liverpool some weeks ago – he is seeking to be appointed the chairman of that select committee. It is not clear yet, Mr Speaker, which of the parties will have the chairmanship of the committee, but Mr Benn is seeking it should be Labour and that it should be him. It is also true that similar committees have been set up in other parliaments, including the Scottish Parliament, as the mechanism for co-operation between the parliamentarians represented there and with the executive. The Scottish Parliament's Brexit Committee, I understand, has already
715 been set up; the Westminster Parliament Brexit Committee is to be set up.

Mr Speaker, in the moments after the Referendum result I had an opportunity of meeting with the Leader of the Opposition. On one occasion when I was briefing him on the meetings we had had in the United Kingdom he, in fact, in writing, had proposed a select committee, which I

720 reflected to him in the context of our discussion was actually the position that had been
proposed to me already by the Deputy Chief Minister and was therefore agreeable to the
Government. This is a motion that, as a result, I put before the Parliament some time ago. This is
the first opportunity for taking motions, and therefore, Mr Speaker, I look forward to having the
full support of the House for the establishment of this committee, which will, I hope, give us the
725 opportunity of working together at a parliamentary level and reflecting there the work that we
as a Government and as an executive will have done and will be dealing with now going forward
in respect of Brexit.

Mr Speaker, there has been an exchange of press releases on the subject of Brexit in the past
few days. I would rather leave those issues outside of this debate, because what we are doing
730 here is establishing a committee for the purposes of being able to work together. If there have
been disagreements in that respect, I think it is important that we start this work and we start to
do it together in the context of the select committee, and perhaps in the select committee the
hon. Members may wish to put some of their concerns about how the committee should work.
But we have to be clear that Gibraltar does not have and does not need a Government of
735 national unity. Therefore, the Government is governing, the Government continues to control
the executive, and will continue therefore to lead on the Brexit strategy, although it wishes to be
able to work with the Opposition in the context of the select committee.

The Government will take the blame for anything that goes wrong as a result of the Brexit
negotiations that we lead and we will shoulder the responsibility of where that leads Gibraltar
740 to, because we are in Government. Similarly, Mr Speaker, we will take the credit of anything that
we do in the context of that process which takes Gibraltar to a better place. Mr Speaker, let us
be clear. That is not to say that we are confident that Gibraltar is going to do extraordinarily well
out of Brexit. Brexit is going to present a lot of challenges for a lot of areas of this community.
We have to do our best to achieve the best for each of those sectors, as will be the case for the
745 United Kingdom and its many industrial sectors, and the case for most Member States of the
European Union that have a relationship with the United Kingdom.

If I may say so, Mr Speaker, I think the best way to paraphrase what the Prime Minister has
been saying in the context of her party's annual conference in Birmingham, which I was
privileged to attend to represent the Government last Sunday and had massive support from
750 Members of the Conservative Party, as we had in the Labour Party, in the Liberal Party, and no
doubt will have also at the SNP, where the Hon. the Deputy Chief Minister will lead a delegation
next week ... What she has been saying there in respect of Brexit, and what she has been saying
there in respect of her party's policies for the country, I think can be synthesised into a phrase
that should represent both those aspects of the Prime Minister's policies and which should
755 reflect our policies going forward and those of all the devolved parliaments and the Crown
Dependencies, namely that we need to find a Brexit that works for everybody. Mr Speaker, that
is the work which on which we are engaged and will continue to be engaged. It is true to say that
it is taking a lot of Government time and, as a result, the Deputy Chief Minister and I have been
unable to give the full attention that we might have wished to give to other areas of
760 Government, but we expect to be able to continue to turn our attention to those. The hon.
Gentlemen will be disappointed to know that we expect to be able to comply entirely with all
our manifesto commitments and deal with Brexit.

Mr Speaker, the one thing that I think is important is that I explain why the composition
would be four, two and one. In the context of select committees the Government will have
765 always an inbuilt majority, and, in order to ensure that the committee stays nimble and small
enough, the only way that we would be able to have an inbuilt majority if it were bigger would
be to have five Members of the Government, three Members of the Opposition, and the hon.
Lady, because we think the hon. Lady, as an independent parliamentarian, should be
represented in the select committee. That would mean that the Parliament would be meeting
770 with almost half its Members in select committee – there would be eight of us – so, in order to
keep it nimble and try and reflect the numbers opposite, the only way we can do it is to do three

and therefore four on our side, if the hon. Lady is going to be one on the other side. Of course, the other way to do it is to keep it three on our side, the hon. Lady, and just one of the Members representing the party opposite. We thought that would be less representative, so that is why we are proposing four, two and one, to keep it nimble in that way.

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Mr Speaker, I would propose that this select committee should meet with regularity in order to ensure that we are able to give Members opposite the sort of information and to have the exchanges that we think we should have, and we think it should meet in camera. In other words, we do not think it should be a select committee that should meet in public, although it should be a select committee that should be able to make public such information as the committee considers appropriate.

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Mr Speaker, I think that with those remarks I have dealt with also a communication which we received from the Deputy Leader of the GSD, Mr Hammond, in respect of this committee and I hope that that will enable Members opposite to better understand how we propose that the committee should work.

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As I say, Mr Speaker, I could simply now deal with all of the remarks that have been contained in the press releases from Members opposite which have been the subject of exchanges between the Government and the Opposition, but I call on Members opposite to leave the public exchanges outside of the consideration of the establishment of this important committee of this House, where we will be able to co-operate and work together as a Parliament to deal with the parliamentary aspects of what Brexit may mean for our community. I encourage them to do that and to work with us on the subject and not to allow this debate to simply descend into an exchange of – to use the words that the hon. Lady of the Opposition used a few moments ago – press release barbs, and I invite the hon. Gentlemen to support the motion establishing the Select Committee. So that we can meet in the composition that I have proposed as soon as possible during the course of this month and then continue to have regular monthly meetings and such other meetings as we may consider may be appropriate, and even to invite members of the public to provide information to the committee in the context of such consultation as the committee may agree at its first meeting we should do.

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I also invite the hon. Lady to support the establishment of the committee for the purpose that I proposed. I think I detected in her earlier speech in respect of the other committee proposed, that she thought there should be more committees, so this is an opportunity to see that part of her stated wish come true, because I think without the need for flagellation all 10 Members on this side are likely to be supporting this motion.

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Mr Speaker: I now propose the question in terms of the motion moved by the Hon. the Chief Minister. Does any hon. Member wish to contribute to the motion? The Hon. Trevor Hammond.

Hon. T N Hammond: Mr Speaker, it is indeed over a hundred days since the Referendum that saw the United Kingdom propose to leave the European Union and it is regrettable that this motion is only now being heard, because I believe there has been ample opportunity and sufficient meetings of Parliament to have suspended orders and have heard this motion.

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The trigger of Article 50, as the Chief Minister has said, will occur, according to the Prime Minister of the United Kingdom, next March, which means we have already lost a third of the time that would have been available to us to deal with these matters, and I think that is regrettable. We nevertheless do welcome that this motion has now been tabled, and it is the intention of those in this House representing Her Majesty's Opposition, to do all that we can to work with Government to assist Government in navigating the challenges ahead brought about by the decision made by the people of the United Kingdom to leave the European Union.

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We fully recognise how significant – indeed existential, as the Chief Minister has put it – this process will be for the economy of this community as it presently exists and we stand willing to play a part, whatever part we are permitted to play by Government.

825 There are elements within this motion that we fully endorse. We share Government's regret that the outcome of the referendum on whether the United Kingdom and Gibraltar should remain in the European Union or should leave resulted in an overall decision to leave. We welcome that the United Kingdom government has stated that Gibraltar will be fully involved in the formulation of the United Kingdom's policy in relation to a potential withdrawal from Europe, a policy which seems increasingly inevitable.

830 Of course, a note of caution here is necessary, as 'fully involved' does not mean that Gibraltar will be influential in the outcome of that policy, and indeed could be interpreted in many ways. Just as Her Majesty's Opposition here in Gibraltar, through the formation of this select committee, might be considered to be 'fully involved' in determining both the impact of a withdrawal by Gibraltar from the European Union and our future relationship with the European Union, as stated in this motion, our actual influence, when the composition of the committee is considered, will be negligible. We might be 'fully involved', but it does not mean that we can necessarily influence the outcome of any decisions taken by the committee or effect Government policy in this regard should Government choose to follow its own path, in the same way that Gibraltar will not be able to influence the United Kingdom Government should it choose to follow its own path, despite being 'fully involved' in the process. Let us maintain a sense of reality and not hang our hats on such phrases.

840 The motion fails to set out terms of reference for the select committee in anything but the vaguest terms. It sets out that the Select Committee is to report to this House on matters involving both the impact of a withdrawal by Gibraltar from the European Union and our future relationship with the European Union. Implicit in this wording is that the select committee will play a passive role, reporting on events rather than being actively involved in those events. Time will tell how effective and influential the role of this select committee will be, or is allowed to be by Government.

850 The length of time that it has taken to bring this matter to the House is a disappointment, as I said earlier. The matter is one of some urgency, even considering that the declaration of Article 50 by the United Kingdom has not yet been made, though will be made next March, according the Prime Minister, and, of course, as I said earlier, it means we have effectively lost one third of the time that would have been available to us in order to deal with this issue. The urgency is clear from the fact that Government, and in particular the Chief Minister, has rightly been working to develop the strategy to try and navigate the inevitable challenges that will be faced. Some of this work has been public and we have become aware of it through local and international press announcements. That this Select Committee has not been established with the same degree of urgency reaffirms the view that Government does not intend to be steered by the committee but to report to the committee. It is yet to be seen how such reporting will function, but those on the committee, including Members of the Opposition, will certainly not be providing direction to Government. Had that been the purpose, this committee would surely have been established some months ago and in time to do so.

860 The Chief Minister has, to some extent, explained further the functioning of the committee and certainly the fact that it will meet in camera, but I do welcome the fact that those meetings, despite being in camera ... information that is made available will be subsequently made available to the public, as I understand it.

870 Ultimately, the absence of clear terms of reference within the motion and the potential lack of influence that the select committee will have, and certainly that Members of Her Majesty's Opposition will have, over determining policy in this area does not and will not deter us from doing our duty, as we see it, to the people of Gibraltar. Despite being invited to participate in a process about which we have been told relatively little – rather like being invited to play a game but not being told what the rules are, or even indeed what game is being played – we will be voting in favour of this motion. We will continue to strive to work with Government through this select committee as the mechanism chosen by this House to permit that co-operation and demonstrate to the governments of both the United Kingdom and the Kingdom of Spain that

875 when Gibraltar is presented with an existential threat there is no question of division either among its political classes or its people.

Mr Speaker: Any other hon. Member? The Hon. the Leader of the Opposition.

880 **Hon. D A Feetham:** Mr Speaker, very briefly. As my hon. Friend, Mr Hammond, has just said, the Opposition certainly welcomes the creation of the select committee. The select committee was suggested by the Opposition in a letter that I wrote to the Chief Minister several months ago. It would have been our preference for the select committee to have been the vehicle whereby the Government and the Opposition make joint decisions and develop a joint strategy
885 in relation to how we deal with the question of Brexit. That is what my friend, Mr Hammond, means when he talks about terms of reference.

Our understanding of the situation ... and I am not criticising the hon. Gentleman for it, because at the end of the day he is quite right, the Government governs, the Opposition opposes, and he is perfectly entitled to come to this House to seek the creation of a select
890 committee whereby the select committee would be the vehicle whereby the Government effectively keeps the Select Committee and Members on this side of the House informed of decisions that the Government has already taken. It is up to the Government, and I certainly do not criticise it. Our preference, of course, would have been for the Select Committee to have been that vehicle for the Government and the Opposition to be working towards that joint
895 strategy and that joint response. That does not appear to be what the Government is going to be using the select committee for, and I think that it is important, Mr Speaker, in the absence of those terms of reference, that that ought to be emphasised in this House, so that we are all clear exactly what it is that this select committee is being used for.

Mr Speaker, certainly the Opposition is not going to be found wanting. Every time that the
900 Government comes to the Opposition and seeks the Opposition's assistance, or the Opposition's advice, or the Opposition's counsel in relation to any initiative that the Government is bringing to bear in relation to Brexit we will be providing that counsel and that advice – in confidence, obviously, because that is the way that the select committee is going to be operating, in camera – to the Government in good faith always if we can support any initiative, and indeed we will
905 attempt to bend over backwards to support initiatives from the Government.

Obviously, we hope that it will never become necessary for us to take a strong different view to the Government. At the end of the day, that cannot be ruled out, because that is how politics operate, and to use the Chief Minister's phrase again and quote him, governments govern and the oppositions oppose, but everything that we do we will do in good faith, and certainly the
910 community will not find the Opposition wanting in its participation in relation to the select committee, to whatever degree the Chief Minister wants us to participate. (*Banging on desks*)

Mr Speaker: Does the Hon. Marlene Hassan Nahon wish to contribute to the debate? I call on her.

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Hon. Ms M D Hassan Nahon: Mr Speaker, I think, with respect, the Hon. Member, Mr Trevor Hammond and the Leader of the Opposition have at times shown some level of pettiness towards their perception of the committee and the management of Government in handling the issue of Brexit. The fact is that the Government has done well to set up a committee at this
920 delicate time, while working right now on all we have, which is speculation. I do accept and respect that in the last few months and over the sleepy summer break the Chief Minister has had bigger fish to fry, and on this one I have to say to the GSD Opposition and the House in general that Brexit is too important to make this a partisan battleground in the press or beyond. This issue is just way too precious and delicate. We have to do Brexit together, so I welcome the
925 select committee and I am grateful for my inclusion.

Thank you.

Mr Speaker: Any other Member wishing to debate? I will, then, call upon the Chief Minister to reply.

930 **Hon. Chief Minister:** Mr Speaker, I intend to try and deal with the issues that have been raised in a way that is as constructive as possible, but I must say that I do not think that we are dealing with the establishment of this select committee late in the day and having lost a third of the time available, because the time available is not the time between now and the triggering of Article 50 – which may or may not be by the end of March, it may be earlier, it could have been
935 already. Hon. Members know that the position of the former Prime Minister, Mr Cameron, was that Article 50 would have to be triggered immediately after a result. He took the view that he should resign the morning after the result because he could not steer the United Kingdom through a Brexit with which he did not agree, and therefore that did not happen. The position of some members of the Conservative Party continues to believe that the Article 50 notice should
940 be given as soon as possible and the Prime Minister has now given an indication, not in Parliament but in a party context, of when she thinks it is likely that Article 50 would be triggered.

All that happens under Article 50 is that a letter is sent from the United Kingdom to the President of the Council and the President of the Commission, indicating that trigger is pressed
945 and it will contain the issues for negotiation. But of course it will not be exhaustive, and so can I just please persuade hon. Members to view the process as one that is going to continue. This is not a select committee that will have to do its work by 31st March or earlier, by the time that the Article 50 letter goes. This work will endure and it will endure likely even beyond the two-year initial period if the negotiation is extended beyond that, or potentially even further whilst Brexit continues. And I dare say, Mr Speaker, it is very likely that whoever is entrusted with the administration of Gibraltar's affairs after the next election and whoever sits where I sit today as Leader of the House – and I sincerely hope it will be me and the colleagues that I have around me today and the parties that we represent, but that is a matter for the electorate – will have to reconstitute the select committee for the lifetime of the next Parliament, because Brexit is
950 something that is going to have consequences over a considerable period of time, not just between now and April.

So can I please disabuse hon. Members of the idea that this is a race to the Article 50 letter. The Article 50 letter is almost the beginning of the action, not the end of it. Can I also remind
960 hon. Members that the Parliament that will trigger the Article 50 notice, or which is the Parliament of which the executive of which will trigger the Article 50 notice, has not yet had its select committee on Brexit established, so I do not think we are doing so badly.

The Hon. Mr Hammond said something in the course of his intervention which I think I should correct in parliamentary terms. He said, 'speaking for those who represent Her Majesty's Opposition'. I think, with respect, that is an incorrect way of phrasing his position in this
965 Parliament and the position of all those who sit on the GSD benches, if I can call them that. All Members opposite are Her Majesty's Opposition. There may be an official Opposition and there may be others who are not an official Opposition, but the hon. Lady insists on sitting over there instead of over here and therefore is, as far as the Government is concerned, a Member of the Opposition. And so hon. Members who speak not for her speak for the official Opposition, but it is not as if they are the only Opposition. I think it is important to keep that in mind.

I have said that Brexit represents an existential threat to the current economic model of Gibraltar, and it is important that we always insist on that, that this is an existential threat to the current economic model and not an existential threat to Gibraltar. I took great issue and great umbrage with one headline writer who took that and turned it into a headline: 'Brexit will
970 destroy Gibraltar'. As I have said before and I will say again, *nothing* will destroy Gibraltar. It may be that we have to reposition parts of our economy – of course we will. So will the United Kingdom and so will large parts of the European Union where some industries depend on the United Kingdom.

980 Let me give hon. Members one example. This year, Spain has published statistics which show
it has had a record year in the number of tourists reaching Spain. The largest numbers of tourists
have come from the United Kingdom; the second largest number of tourists from Germany. Of
course, German and English or UK citizens have the right of free movement today into Spain and
are therefore able to holiday there without the need for visas, etc. So, to take a terminology
985 which is falling into disrepute even as we speak, but a 'hard Brexit' – because we all think we
know what that means; a Brexit without any of the fundamental freedoms attached to it
continuing, so a Brexit where there is no freedom of movement between the United Kingdom
and the rest of Europe, also Spain – is an existential threat therefore also to the Spanish tourist
industry, and the Spanish tourist industry is credited also as being the industry that has pulled
Spain out of recession. That does not mean that Brexit is an existential threat to Spain, but we
990 need to understand that a lot of the cogs in the economy of the European Union and the United
Kingdom depend on the exercise of the four freedoms that make up the European Union and
that those industries therefore now place potential difficulties and existential threats.

Because the United Kingdom government recognises how relevant all of those areas are to
Gibraltar – in particular, of course, access to the single European market in financial services and
995 freedom of movement – we are being fully involved in the process of the United Kingdom
making decisions about how it represents the case for itself and for Gibraltar in the context of
the negotiation. I do not want to comment on things that have been said outside here, but
telling Scotland that it will not be able to have a veto on Brexit is not to say that Scotland is not
going to be fully involved in helping to shape what Brexit might look like in relation to Scotland.
1000 Telling Scotland that it is not going to be able to stay in the European Union in the context of
what is also a negotiation between the United Kingdom represented by Mrs May and the
Scottish First Minister of the Scottish National Party – it is not as if Mrs Sturgeon hides what she
represents – is also a part of the internal politics of the United Kingdom. But Members opposite
should also, in the same way as they advise us not to hang our hat on those words, realise that
1005 in politics it is words that are important, and those words which have been extended to Gibraltar
in the context of how we will influence how the United Kingdom begins its negotiations are not
just words. They are, as hon. Members will have seen from some of the things we have said
publicly and as they will know from some of the things we have told them not publicly, actually
the way in which we are being treated. We are being fully involved in the context of shaping the
1010 negotiation as we go forward, but that is not to say when Mrs May sits at the table with the
other 26 members of the European Union, who are represented by the heads of state, that for
the United Kingdom there will be Mrs May, Mr Carwyn Jones, Ms Arlene Phillips, Mr Fabian
Picardo for Gibraltar, Mrs Sturgeon and the other representatives as Heads of Government of
the Crown Dependencies. There will be one person doing the negotiation in each potential area.
1015 But that is the position today, so when there are meetings of the Council today Gibraltar
influences any aspect which relates to Gibraltar and which is relevant to Gibraltar. The Hon. the
Minister for the Environment will be asked for details for a negotiation that is ongoing on
Brussels relating to environmental matters.

We only hear of things when they go wrong, so when there is a disagreement and something
1020 comes out, it may be that there has been a failure of a request of information here and
therefore that information is not provided to the UK because they do not seek it and the UK
then negotiates something which the UK usually does not realise is bad for Gibraltar but Spain
does, and that is why it has got into the text. The last time that happened, hon. Members will
recall, was in relation to the sites of community interest which happened, I think, in 2007-08. It
1025 is not happening now. The very strong relationship we have with the United Kingdom I think
helps in that respect. The Constitution is very clear that we have to be involved and that EU
matters are not external relations matters simply because they are EU matters. If they are EU
matters relating to areas which are not the special reserved matters which the Governor has
responsibility for, then they are matters which Gibraltar drives, but Gibraltar does not sit at the
1030 negotiating table with the other 27. And so I would counsel against suggesting that we are not

being fully involved because of things that Members opposite may see in the politics of the United Kingdom, because we are very pleased to be very fully involved.

1035 That is not to say, Mr Speaker, that either in the select committee the tail is going to wag the dog, nor in the context of the negotiations between the United Kingdom and the European Union. So people who have garnered just over 4,000 votes are not going to determine what the executive – well, on average it is about 4,000 if you work it out – which has been elected with an average of 10,000 votes, is going to determine, because there is not a Government of national unity. There is a Government led by the executive, which is going to continue to make decisions, but the select committee can be an important part of where we work with Members opposite.

1040 And in the same way, Mr Speaker, 30,000 people are not going to determine what is going to be done for 60 million people, but there is a political commitment that what is in the interest of the 30,000 people is not going to be disregarded and we are going to be fully involved in negotiating the aspects that matter to us.

1045 The hon. Gentleman says ‘the vague terms on which the select committee has been established’. Well, I think this is one of the longest motions establishing a select committee ever brought to this House. Select committees have a way in which they operate, and that is dealt with in the Standing Orders and Rules and in the practice of this House. A select committee has a passive role. Therefore, Mr Speaker, only if you are thinking that a select committee can actually be an instrument of the executive taking executive decisions and executive action and you are disappointed because you are not, but there is no select committee that I have ever seen

1050 operating in this House or in any other House which is a part of the executive. A select committee is not a place from which you govern a nation; it is a place from which you debate how a nation is being governed. You can make recommendations which may lead to a Parliament seeking to do things in a particular way, which will then bind the executive, but it is not more than that, and in the context of where we are, the way that a select committee has been used in issues as important as Brexit, like namely, the Select Committee on the Constitution, it is because you use the select committee to be able to take a barometer of public opinion, to consult with the public, you are able to use the select committee to consider that consultation process together and to then represent together to the Parliament, insofar as may

1055 be appropriate, a joint view. Of course hon. Members have the opportunity of doing a minority report on issues which the select committee thinks the Parliament should have a recommendation on. It is nothing else, and therefore, in that context, it is far from passive. It is going to do the work that the select committee in the United Kingdom and in Scotland and everywhere else is going to do and the work that the select committees of this House have traditionally done. And, if I may say so, Mr Speaker, as the hon. Gentleman has repeated himself, it is what they proposed. So, unless they proposed a select committee not knowing what it is that a select committee does, they are not getting anything more passive or more active than they proposed.

1060 Mr Speaker, the length of time between the publishing of the select committee motion and taking it I do not think is extraordinary. This is the first opportunity for motions to be taken, unless we had suspended Standing Orders. The suspension of Standing Orders has not seemed necessary to us, because in the context of what is happening in September ... And hon. Members may recall; I do not know whether they do. I sometimes appear to impute to them corporate knowledge that they do not have, but the position of the GSD, as far as we have always understood it, is that they do not want parliamentary meetings in August. We could have had a parliamentary meeting in August, but their position is not to have parliamentary meetings in August. Mr Speaker, hon. Members actually voted down – because on that particular day they had a majority of one – a proposal to adjourn the Parliament to August in 2012. They said, ‘No, we should never have meetings of the Parliament in August,’ so we did not have a meeting of

1075 the Parliament in August, although I cancelled part of my family holiday and continued working – I would have happily come here to have a meeting in August if they had wished. In September we have been doing the work that we have to do. As hon. Members will know, September and

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October are very busy months. They will learn from their time in Parliament, Mr Speaker, that June, July, September and October are examination months in Government executive terms, especially for anybody who wishes to occupy this chair, because there are the party conferences, etc. and there is, of course, the session in New York of the Fourth Committee, as hon. Gentlemen will have seen. Therefore, Mr Speaker, there is a need to continue with the executive action that is going to produce the results for Gibraltar on Brexit and other areas which we have been pursuing, and I am grateful that the hon. Gentleman has said, rightly, in the context of what they have seen publicly already and some of which they would have also had comment on from us not publicly.

In particular, hon. Gentlemen will know that the past week has been very active indeed in respect of the sovereignty of Gibraltar, which is an issue that Brexit opens, as far as some are concerned in the Kingdom of Spain. The hon. Gentleman introduced that aspect into the discussion, in my view correctly, because this is one of the issues we will be dealing with in the context of Brexit ... that there was political unity in Gibraltar on the subject leading up to the Referendum, all of the former Chief Ministers of Gibraltar joined me, as the current Chief Minister, in saying to the general public, 'The big issue is that Spain is likely to want to exploit a potential Brexit for its own purposes, and therefore tangentially this is a vote about whether joint sovereignty should be put back on the table or not.' Hon. Members have seen that played out from the morning of the 24th, but with growing intensity in the past 72 hours since the Tuesday afternoon in New York, and there is even today a further interview by the current caretaker Foreign Minister of Spain in *ABC* newspaper, responding to a Government press conference of yesterday at five o'clock. So hon. Gentlemen must not think that these things happen just when they pop up. There is a lot of build up to what eventually emerges and a lot needed to prepare to be able to respond in a strategic and tactical manner to some of the things that we are dealing with.

Mr Speaker, I think it is important to speak on behalf of the whole House to say that, on the subject of Brexit, if somebody thinks that the sovereignty of Gibraltar is somehow on the table for discussion or negotiation, what they will get from the select committee – whether it is passive or less passive from the executive and, I hope, also and no doubt from the Opposition and the whole of it represented by the seven Members opposite – is a very clear statement that Gibraltar will never be Spanish, whether in the context of Brexit negotiations or not in the context of Brexit negotiations; that never means never, that no means no – all the things I have said in the last 72 hours, that I have been saying since the 24th, and that nobody should begin to believe that any door opens on the issue of sovereignty. I have seen some suggestions that the issue is the economy. Well, of course the issue is the economy, but there is no back door into sovereignty, either through Brexit or through the economy. Sovereignty, as far as the Government of Gibraltar is concerned – and, I am sure, Members opposite – is an issue which will *never* be on the table, and to have heard, as one has in the past 24 hours, that not just does Mr Margallo think he will get his hands on the Rock but that he will raise the Spanish flag in the next four years, is really to see the diplomacy of a great European kingdom like Spain descend into utter farce. Nothing that we have heard in the past 72 hours is going to change the opinion of the Gibraltarians on the issue of the sovereignty of Gibraltar and there is no argument that can be put to us, because we are determined that the sovereignty of Gibraltar shall continue to be entirely British.

As I said yesterday, Mr Speaker, this is not about threats and it is not about benefits; this is about respect. Fifty years ago, the United Kingdom suggested to Spain that if you have an issue with the sovereignty of Gibraltar you should go to the International Court of Justice. Spain refused and wished to pursue a political attempt to take over Gibraltar's sovereignty, and hon. Members will have heard what I told the United Nations in that respect. What we need to do and to be united on is to ensure that everything that we do in dealing with Brexit maintains that very clear position and that Spain does not see an opportunity to somehow put her foot in the door. Indeed, Mr Speaker, it is true that some of Gibraltar's best friends in the British Parliament

1135 said that actually one of the reasons they supported Brexit, contrary to our own views in
Gibraltar, was because they saw the European institutions and the 26 other Member States
getting their foot in the door of British sovereignty over the United Kingdom, let alone Gibraltar,
and some of our friends said, 'Therefore, you see, Spain has $\frac{1}{27}$ th of her foot in already the
1140 sovereignty of Gibraltar. So those of us who did not support Brexit now have the comfort of at
least taking the view that if those who did support Brexit were right, then we are kicking that
Spanish toe, or $\frac{1}{27}$ th of the Spanish foot, out of the door with Brexit. So, if Señor Margallo might
care to reconsider, he might find that Brexit is actually not an advantage towards Spanish
sovereignty; it is actually the withdrawal of $\frac{1}{27}$ th of the Spanish sovereignty attained over
1145 Gibraltar in the lexicon of those who backed Brexit, because that is how they saw it in respect of
the United Kingdom, which we did not.

So, Mr Speaker, the reason that we will meet in camera is because we may need to discuss
things which are sensitive in order to be able to take a common position on them and we do not
want those who wish to get not just $\frac{1}{27}$ th of their toe in but the whole of their big feet into our
sovereignty ... but that does not mean that we should not also meet in public when it is
1150 appropriate for us to do so and call in those members of the public who may wish to come in to
give us the evidence.

It is also true, Mr Speaker, that the select committee, as I have said, and the Government
cannot deal with this negotiation on the basis of giving a blow by blow account publicly of what
is going on. We can have such debates as hon. Members wish in respect of transparency and
1155 debt and all the rest of it, and no doubt this will continue, because it appears that my skills in
advocacy persuade 10,500 people but they do not persuade six or seven. So be it, I am quite
happy to persuade 10,500 and not six or seven. But in relation to this matter, this is not an issue
of transparency. If we are going to simply look at what happens in the Westminster Parliament,
the Prime Minister herself has said, and so have the Foreign Minister and the Minister for DExEU
1160 – the Department for Exiting the European Union – that they will not be giving a blow by blow
account of negotiations, and that means I think negotiations inter-UK and extra-UK. It would not
make sense to do so.

But hon. Members should know that we do intend to advise them, even outwith the select
committee, of such aspects of the discussion and negotiation – I am going to come to you in a
1165 second; I will give way in a second – where we believe that they should be informed of any
particular issue, and we will do that, Mr Speaker, where the things that we are discussing with
the United Kingdom are not things that we can say publicly and they are things which hon.
Members should know. I think it is important that I should complete this point before I give way
to the hon. Member. One of the things that the Deputy Chief Minister was very clear on in the
1170 context of the discussions we had in the days after Brexit is that, of course, many meetings that
we hold with Ministers and others outside of Gibraltar, in the United Kingdom in particular, deal
with matters of government business at the same time as they deal with related Brexit matters
of government business. Government business is something that has to remain confidential
government to government and it is not something that we can give hon. Members a blow by
1175 blow account of anyway, but where there are areas where it is clear to us that we cannot say
something publicly, but that the hon. Members should be briefed, they will be, select committee
or no select committee. It will be a conversation either between the Deputy Chief Minister and
the Deputy Leader of the Opposition or between myself and the Leader of the Opposition where
appropriate – although he is very difficult to catch, he is often in court, so it is easier usually for
1180 the Deputy Chief Minister to get in touch with the Deputy Leader of the Opposition.

I think the hon. Gentleman wanted to say something.

Hon. D A Feetham: Yes. I do not know where the hon. Gentleman gets the fact that I am very
busy. I am very busy in court, but never has the hon. Gentleman attempted to contact me and I
1185 have not been there at the end of the telephone in order to answer his call, or indeed your call
whenever you have asked to see me.

Let me remind him, before I get to the point that I was going to make, that I make the decisions as to who is Deputy and who is not Deputy within my ranks, but thank you very much for appearing to endorse Mr Hammond. He is probably very appreciative of it, but I make those decisions and I will make an announcement, if I do, when and if I am ready to do so.

But, Mr Speaker, one of the issues that concerns me about Article 50, and hence from our side the concern about time and whether we have made use of all the time available in order for us to impart to the hon. Gentleman what are our concerns, is that we have seen how the Prime Minister, Theresa May, has now said that the Article 50 notice is going to be triggered by the end of March. It could be earlier, it does not necessarily have to be the end of March, but there is a date, end of March, to trigger Article 50. Now, this is my understanding and this is what I would ask the hon. Gentleman to comment on, if he has an answer in relation to this. My understanding of the position is that once the Article 50 notice is triggered, what there will then be is a list of issues that is produced on the United Kingdom side. So the United Kingdom will say, 'These are the points that we would wish included within any deal,' and then on the EU side there is a list of points the EU would like to discuss and include within any deal. What then happens is that there is then an agreement. Usually, it is ... Well, we are in uncharted territory, but normally in these things there would be a consensus, and it is a point that the hon. Gentleman made, and perhaps the hon. Gentleman therefore has considered this particular point – that is why I am rising – that it would be dealt with by way of consensus about what are the issues, what are the parameters of this particular deal.

The danger for Gibraltar, as far as I can see, is that the Spanish government, through its lobbying – and it already commenced its very hard lobbying some months ago and sent diplomats to every single EU country – manages to then persuade effectively the United Kingdom and the EU to leave Gibraltar out. So, what we are then faced with is a situation, at a very early juncture, where the issue of Gibraltar is excluded from that parameter and those issues for discussion. I just wonder whether the hon. Gentleman can comment in relation to that and whether he thinks that that is a possibility and whether the Government has considered that, because that is something that does concern me and would, of course, then mean that the timetable, in terms of for us, is not two years from the exercise of the Article 50 notice – it is within a few months of the Article 50 notice that we would be faced with considerable difficulties.

Hon. Chief Minister: Well, Mr Speaker, I have tried to be in touch with him on some occasions and not been able to reach him. The hon. Gentleman may not recall, but that has happened on a number of occasions. He has called me much later, I have been unavailable and he has had to speak to the Deputy Chief Minister. I am not saying there is anything wrong with that, it is normal, but he cannot pretend that he is always there to pick up my phone. He is sometimes before a judge, and he cannot pick up a phone when he is in front of a judge.

Hon. D A Feetham: He does not phone me very often.

Hon. Chief Minister: No, I do not phone him very often, Mr Speaker, because we have diametrically opposed views on just about everything; and when we do not, when we seem to have the same view about something, there is no better way of ensuring that we have a different view than for us to discuss it, so it is usually better to remain of the same view, absent discussion, than to find a way to disagree. But, look, Mr Speaker, maybe that can change.

I did not know that the Hon. Mr Hammond was not the Deputy Leader of the Opposition, otherwise I would not have called him that. I sincerely thought that that was the case. Perhaps I have also got it wrong that Mr Vasquez is the Chairman of the Party, but I was simply reflecting what I thought had been the announcement that he had made, but it is clear that he makes those decisions, as he has told us today. I am constitutionally empowered to make decisions in relation to constitutional portfolios, but in my party I am slightly more constrained by a little

1240 thing called democracy – but never mind. It is a live issue in the Labour Party how members of
the Shadow Cabinet are going to be appointed ... but anyway, never mind. It reminds me of that
idea, Mr Speaker, that the hon. Gentleman had of something called ‘annual’ general meetings
that happen once every three or four years! Anyway, leaving all those issues aside, because I do
not want to go into partisan ...

1245 Mr Speaker, the Article 50 notice will set out some of the issues that the United Kingdom
wants to deal with. It will be general, it will not be specific; it will be about the exit deal, it will
not be about the new deal that the United Kingdom has with the European Union. This is an area
where there is a large measure of disagreement – between the Council and the Commission and
the Commission and the Council in the United Kingdom, and the United Kingdom, the
1250 Commission and the Council and the remaining 26 Member States – whether the exit deal is also
the deal going forward, or whether there is an exit deal and then a negotiation of a deal going
forward. And that is very likely to be the case. There is very likely to be an exit deal first and then
a new trade deal between the United Kingdom and the European Union. That has been repeated
by Cecilia Malmström, who is the Commissioner for International Trade, and it is also repeated
1255 by some of the relevant British Ministers, and that has been said to be potentially very
dangerous for the United Kingdom. It is dangerous also for Germany, it is dangerous for other EU
nations and it will be, of course, as dangerous for Gibraltar and for Spain, and navigating these
issues is complex.

The Council leads the negotiation for the European Union. The Council acts either by
consensus or qualified majority voting. What is clear, Mr Speaker, is that the Council and
1260 therefore the President of the Council, who will represent the EU in its negotiations with the
United Kingdom, will represent the position of the 26, not the position of the 27, so our work
with the United Kingdom is not going to be reflected in what comes from the EU to the United
Kingdom. That is our work with the EU, and the hon. Gentleman will see that we have done a lot
of work already, not just with the United Kingdom but also with the EU, and we are continuing
1265 to do that work in partnership with the United Kingdom in respect of the recent lobbying
campaign that we have seen from Señor Margallo in respect of other EU foreign ministers, which
the hon. Gentleman should not for one moment think is just happening now. This is constant
and it does not just happen in respect of the European Union; it happens in Washington, it
happens in New York, it happens everywhere we go or might go. During the time of the creation
1270 of the magnificent artificial reef just in the north of Gibraltar’s territorial sea, the Spanish
government was lobbying everywhere it had an embassy – and it has got almost 200 of them –
and we were counter lobbying in 200 places where we had an embassy through the United
Kingdom. We will be doing that in European capitals, of course, as well, but that does not mean
that we will be able to influence what comes from the Council in the context of the negotiation.
1275 *(Interjection by Hon. D A Feetham)* Of what? Out of what? At the risk of staying out of what? Of
the negotiation? Mr Speaker, I do not mean to get partisan, but the hon. Gentleman needs to
understand that one of the issues here is whether the United Kingdom stays in the Common
Customs Union or not – the common market in goods, the single market in goods – right? We
are out of it. We cannot have a hard Brexit of the single market in goods, because we are not in
1280 it, and it has gone very well for us, right? We are in the single market in services. The United
Kingdom may not be seeking access to the single market in services. It may be seeking a hard
Brexit, so there will be nothing to negotiate, other than potentially those areas of the United
Kingdom that might wish to have access to the single market.

There is potentially only one part of the Member State United Kingdom – because we are not
1285 part of the United Kingdom, but we are part of the Member State United Kingdom for EU
purposes under Article 355; and I do not think we should be having this discussion in public, but
given that he has opened it – that would be seeking access to the single market and would be
prepared to accept what the UK has told us is the price of access to the single market, which is
freedom of movement of persons. Northern Ireland cannot do that, Scotland cannot do that,
1290 because they have not got a border with the rest of England and Wales; but we can, because we

1295 have got a border with England and Wales and we want to have less of a border with the rest of
Europe. But if the 26 come back to the United Kingdom and say, 'Right, here's the price for
access to the single market in goods, here is the price for access to the single market in services,'
and all of that includes freedom of movement of people, and if the United Kingdom has already
1300 made the decision that it does not want access to the single market in good, it does not want
access to the single market in services and it does not want access to the freedom of movement
of people, good luck to Margallo if he thinks he is going to use that as a negotiating ploy for
Gibraltar. That which he and I would not agree is the right position to take, I am sure, for the
United Kingdom but is increasingly looking likely actually disarms the person who thinks he has
got a good negotiating position with Gibraltar, because it takes what he thinks are his three acce
out of his pocket, completely. He has got nothing left to negotiate with.

1305 Where are we left? Where everybody in this community understands that we are left. We are
left with a free market with the United Kingdom that hon. Members know I have said we are
doing a lot of work on already. We are left with freedom of movement not enshrined in the
European Treaty, because by leaving we are accepting that that is gone – and the UK is leaving
the European Union largely, political commentators will say and the Prime Minister herself has
said, because they do not want freedom of movement of people. And so the question is: do you
have to have access to the fundamental freedom of movement of people in order to have an
open frontier with people moving in one direction and the other, or do you not need that? And
1310 the answer is you do not need that, because we had an open Frontier before 1969, when neither
Spain nor the United Kingdom were part of the European Union.

1315 Mr Speaker, all of those things are the issues that are live, but this is not just about the Article
50 letter, it is about what deal the United Kingdom seeks, and those are the issues that we are
dealing with and seeking to address. That is why part of the process has to be to work with the
United Kingdom in the process of the exit deal as much as in the process of the new deal, if I can
put it in that way.

1320 So, Mr Speaker, the hon. Gentleman, when he was dealing with the issue of the fact that he
had suggested this, I think evinced the suggestion that he had proposed a select committee
thinking a select committee might be something else, as if a select committee were a place
where Government and Opposition together run the executive; and as I said to his hon.
colleague not the Deputy Leader of the Opposition, that is not what a select committee is about.
This was not a process which we proposed also and which he wrote about, where we were
creating a committee for joint decisions to be taken. Some joint decisions may have to be taken
there about some issues which are appropriate for Parliament, but we have to continue to run
1325 the process of the Executive negotiating on these issues. This is not to create the joint
sovereignty of the decision-making process in respect of Brexit.

1330 Although I was grateful that he got up and said 'what Mr Hammond means', almost as if he
had to explain what Mr Hammond had meant. I thought Mr Hammond had explained himself
very eloquently today. When he is not talking gas he speaks very clearly, (*Laughter*) and I
thought there was no need for him to be traduced by his leader. I had perfectly understood
what the hon. Gentleman had said.

1335 Mr Speaker, there may be areas where we do need a joint strategy, and although his advice,
his assistance and his counsel are not something we will often seek, on this issue we will often
seek to inform him of things that we cannot inform the general public and take his view on. He
has said he will give us that view in good faith; I sincerely hope that that is the case. I would not
expect anything else, but I am grateful that, given that he felt it necessary to tell us that he
would give us his view in good faith, we will accept it in good faith.

1340 The hon. Lady does not often praise the Government; I am grateful that she did on this
occasion for the work that we have done. This was a period in our history where we had to act,
and quickly, to deal with a lot of the issues that were coming up. Hon. Members will have seen,
as I have said, just in the last 72 hours how aggressive, belligerent and predatory Spain has
become, for reasons which I am clear relate more to Mr Margallo's own very clear existential

view of where *he* is going and wanting to act quickly and get his claws into a joint sovereignty negotiation quickly, and nothing to do with where Gibraltar is going, what risks Gibraltar may be at and what potential likelihood there is that Gibraltar might in some way be prepared to agree anything to do with joint sovereignty.

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And so, Mr Speaker, I detect that there is support, whipped or otherwise, for six on one side and from the hon. Lady for this motion, for which I am grateful, and I commend the motion to the House. *(Banging on desks)*

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Mr Speaker: I now put the question in terms of the motion proposed by the Hon. the Chief Minister. Those in favour? **(Members: Aye.)** Those against? Carried.

Public debt – Definition

Clerk: The Hon. the Chief Minister.

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Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move the motion standing in my name which reads as follows:

That this House notes that section 73(1) of the Gibraltar Constitution Order 2006 defines public debt as all debt charges for which Gibraltar is liable. The House further notes that the Public Finance (Borrowing Powers Act) Public Debt is defined as any borrowing of money by the Government, and this House thus endorses the practice established under the former GSD administration under both the 1969 and 2006 Constitutions that borrowings by Government-owned and controlled companies are not considered and included in the measure of public debt.

Mr Speaker, the origin of this motion is much like the origin of the earlier motion in respect of a motion that the Hon. Mr Clinton has put, again without contacting the Government, in an attempt to change the way that the Parliament interprets public debt.

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You would have thought that if Mr Clinton were of the view that this is something that he wanted to genuinely achieve, again he would have picked up the phone and said, 'Look, Fabian, you are the Minister for Public Finance – I want to change the way that Public Finance is dealt with. I think with my accounting qualification I am better able to determine what should or should not be public debt and I propose this wholesale change to the way in which the Government works and the interpretation of section 73(1) of the Constitution and the way that you interpret the Public Finance Borrowing Powers Act. And not just you Fabian, by the way – I want to change the way that it was interpreted under the GSD and I would like to restate the accounts of Gibraltar for 1996 to 2011, and before then, before 1996,' to which I would have said, 'Well, Roy, don't worry, because there was not any Government company borrowing before 1996 whatsoever. We had nothing to hide before 1996, neither did the Government before 1988, and therefore if you want to do this and you want to restate the accounts of the GSD in Government ... we take the view that this is established and therefore it must be that you have a serious division in your ranks because you want to change the way that the GSD worked for 16 successful, if I may say so – electorally successful – years in Government and accounted successfully again to the electorate, although we did not agree with much of what they did for this issue to the electorate.' And he would have also have met with my view that he was trying to take Gibraltar in a direction that the Principal Auditor, who would have an accounting qualification, does not think it needs to go, and therefore that we think that the public accounts of Gibraltar, the definition of public debt, should continue to be as it was calculated in respect of

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1380 the division between the Government accounts and the Government company accounts in the way that the GSD did between 1996 and 2011 and indeed in the way that the GSD defended in the 2011 General Election, because they did not propose to change it, and frankly it would have seemed, I think, facetious for the hon. Member therefore to have sought to persuade me to change that.

1385 But he might have then realised, if he had made that call, that what he was going to do was going to pit the current GSD head on against the former GSD. And I have not detected a change of name – they are not calling themselves the New GSD or anything Blairite like that. There is not a Mandelsonian text message in the morning, is there, telling them what to think and to be on message. But this appears to be a complete change in the position of the GSD, the current
1390 official Opposition, in respect of the way in which debt is calculated.

I am sorry to have to raise this issue again, but in the context of a party that has considered, stated and repeated that the trajectory of Sir Peter Caruana, when he was Chief Minister of this House, is best referred to as that of the greatest Gibraltarian of his or all time, you would have thought that something so fundamentally opposed to the way that the GSD did business
1395 between 1996 and 2011 would have been a source of huge embarrassment to them. But it may be, I assume, that the hon. Gentleman does not have the benefit of a corporate memory that reminds him of these issues; or it may be that he is going to get up and tell us that he thinks that things were not done right between 1996 and 2011. That would at least avail him of the defence that he is being no hypocrite. It would, of course, create a huge potential problem for the Leader
1400 of the Opposition, who sometimes, not always, likes to remind us that he was a member of the Government between 2007 and 2011 when they won the election by a whisker, which was 400 votes, although Sir Peter then had the ability to remind me between 2011 and 2015 that we won by half a whisker, when we won by 200 votes – without the need for any accounting qualification.

1405 Mr Speaker, as a result, when I see the motion that the hon. Member moves I think that it is actually quite dangerous that we should be changing a constitutional interpretation and a legal interpretation based on the view of somebody who has been, at the time he moves the motion, in the House for six months, and that we should act contrary to the view of Sir Peter, who spent 24-25 years in this House.

1410 The GSD took a company structure established by the GSLP, which had no borrowing in it, and turned it into a trading structure of Government companies, which included a lot of borrowing in it, and in doing so and establishing that practice did so without changing the interpretations under section 73 of the Constitution or the Public Finance (Borrowing Powers) Act. So, what is it that has changed in our Constitution, or indeed in the Act, which changes the
1415 way in which we must interpret it on this basis? Well, absolutely nothing, Mr Speaker, because none of the changes that have been made to the Act – and there have been no changes made to the Constitution – change that. And indeed, what changed in 2006 under the new Constitution? Well, in relation to this matter, nothing, Mr Speaker, because none of the changes that we saw swept in after 2006, with the amendments to the General Interpretation and Clauses Act, with the other legal amendments, with the changes in practice, none of them meant that after 2006
1420 we were accounting in a different way for the Government companies than we were between 1996 and 2006 in that 10-year period when *they* created the borrowing from Government companies and *they* accounted for the Government companies in the same way that we do, except for one important difference that hon. Members must not forget and will not be allowed
1425 to forget, Mr Speaker, and it is an important point that the hon. Member should make a note of. Government companies did not file accounts under the GSD and they *will* file accounts under the GSLP Liberals, except that it is sometimes difficult to file those accounts when you are reconstructing the accounts of the companies between the period 1996 and 2011. But we are closer to doing so and we will be able to give them the benefit of the publication of the accounts
1430 of the companies that *they* ran and *they* brought into trading and *they* brought into debt, in the

context of company accounts – which will be public and they will be filed and subject to the Companies Act. But they did not do any of that.

1435 Now, I know we are now going to go into the territory of one of those debates where they do not *want* to look back. This is the ‘don’t look back’ mantra. They will get the Mandelsonian SMS
 1440 now: ‘This is the don’t look back debate.’ This is not the ‘history shows you that we were the best Government ever’; this is the ‘forget we were ever in Government’ debate. But because they were in Government and because they behaved in a particular way, straddling old Constitution and new Constitution, 1969 Constitution and 2006 Constitution and the same Borrowing Powers Act, they cannot, absent getting up and saying it was done wrong by the GSD
 1445 between 1996 and 2011, and that includes Daniel Feetham because he was a Minister in that Government between 2007 and 2011 ... they have absolutely no moral authority to put a motion that says the opposite of what this one does. Therefore, it is absolutely essential, in order to have clarity in respect of how the accounts of Gibraltar are going to be handled going forward, that we continue, by resolution of this House, to affirm what has been the case until now and approved, not just by Fabian Picardo but by Peter Caruana, successive Financial Secretaries – Tim Bristow, appointed by the United Kingdom; Dilip Dayaram, appointed by the former Chief Minister, Sir Peter Caruana – and successive auditors, because if this had been an improper practice, the auditor would have been the first one to point it out.

1450 In the context of a debate that the Hon. the Leader of the Opposition and I had some time in December 2014 – I think it was the one involving the infamous close personal contact and arms going around each other’s bodies at the end; I think we hugged each other at the end of that one, for reasons that both of us probably cannot work out even now, but you hugged me first (*Laughter*) – the hon. Gentleman suggested that what Gibraltar needed was an auditor to audit its accounts independently. I was delighted when he said this, because I was able to say, ‘For goodness’ sake, where have you been operating?’ Gibraltar has an audit ‘*el chivatito*’ the transcript is available, if the hon. Gentleman likes. We have a Principal Auditor who audits the accounts of Gibraltar already, and that Auditor would immediately have said that the practice that the GSD had started, and we had simply continued under the same Financial Secretary that we inherited etc., was contrary to section 73 of the Constitution and the Public Finance (Borrowing Powers) Act, if it were.
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So, Mr Speaker, this motion deals with that attempted change of interpretation, which would be contrary to the clear interpretation given between 1996 and 2011 under the 1969 Constitution and the 2006 Constitution, under the old Public Finance (Borrowing Powers) Act and the new Public Finance (Borrowing Powers) Act as amended by the GSD, and nothing has
 1465 changed. Therefore, Mr Speaker, I never thought I would say these words: I commend to the House that we continue the practice established by Sir Peter Caruana and the GSD and continued by Sir Peter Caruana and Daniel Feetham when he was in Government with him, as set out in this motion, and that we do not accept the opposite, which is the motion that the Member opposite moved to suggest the contrary. (*Banging on desks*)
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Mr Speaker: I now propose the question in the terms of the motion moved by the Hon. the Chief Minister. Does any hon. Member wish to contribute to the debate on the motion? The Hon. Roy Clinton.

1475 **Hon. R M Clinton:** Mr Speaker, I must confess to feeling déjà vu. To have one motion hijacked is perhaps unfortunate; to have two motions hijacked is perhaps complete misfortune. Yet, on the other hand, I should be flattered, because I had to take a double take when I read the Chief Minister’s motion, because not only is he hijacking my motions quite deliberately, but now he is not even bothering to change the wording in my motions. He has, in fact, copied two thirds of
 1480 my motion and only changed the last paragraph. Well, of course, as he himself has said, no he is not lazy – but that looks lazy to me.

1485 Mr Speaker, I do not propose to give a great speech on this motion because, frankly, I have my own prepared speech for the Chief Minister's delight and consumption. If I were to call the Chief Minister every time I proposed to bring an idea, a motion or question to this House, I might be rightly accused of wanting to be subject to his whip. Do I have to go to No. 6 every time I want something debated in this House? (*Laughter*) Perhaps it would be easier if I just crossed the floor and joined him on that side of the House, but obviously I have no intention of doing that.

1490 But I really do appreciate his increasing 'fondness' – dare I use the word – for accountants, because thankfully accountants are now figuring more in this House than they ever have before, whereas before it would appear that this was a finishing school for lawyers.

So, Mr Speaker, the substance of my motion I will debate when I come to my motion. And, again, I have subject matter which I think I will attempt to persuade the Members opposite as to the merits of my motion.

1495 He did say at one point, 'Well, Mr Speaker, this has been the rule for years, nothing has changed – what has changed?' Well, I can think of two things that have changed, Mr Speaker: (1) Credit Finance, £400 million; and (2) Gibraltar Capital Assets Ltd, £300 million. But, of course, the Principal Auditor cannot comment on these areas because they are not within his remit, and therefore of course the Principal Auditor has nothing to say on the matter because they are not within his remit. But my motion is exactly the point: they *should* be within his remit. He *should* be reporting on these companies and reporting to Parliament and including them in his report. So I do not see what the Chief Minister finds at fault in my motion.

1500 Of course I am happy to keep on calling the Chief Minister every time I have an idea – morning, noon or night – but he may find that objectionable. In fact, as he said, I have three letters that I have written to him: one prior to the Budget, which he never responded to; one subsequent to the Budget, which I am still waiting for; and one in which I am requesting a technical meeting on the £300 million, which I appreciate the Chief Minister has been travelling and may not have had time to respond to.

1510 And so, Mr Speaker, I do not propose to debate with the Chief Minister at this point in time. I have my own views which I will express in my own motion and perhaps ... I do not know how we can get round this, Mr Speaker, in this idea of somehow wasting the House's time in debating duplicate motions, but it may assist the House if the Chief Minister stopped attempting to hijack my own motions and debate the merits of the subject.

Again, Mr Speaker, I will be calling for a division. Thank you.

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Mr Speaker: Does any other hon. Member wish to speak on the motion? The Hon. Marlene Hassan Nahon.

1520 **Hon. Ms. M D Hassan Nahon:** Mr Speaker, given that I am in the privileged position to not contradict any stance or history of any party position, and that I have the benefit of representing from this chair what is truly in the best interests of this community, which is maximum transparency and accountability, and then of course taking into account this Government's mantra of implementing a new dawn, where it is the Government's duty to look forward and not backward, I oppose this Government's motion to not incorporate or include borrowing by Government-owned and controlled companies.

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

1530 **Hon. D A Feetham:** Yes, Mr Speaker, I am very grateful to the hon. Lady for the stance that she has taken. Of course she could not have taken a different stance, because when she stood for the by-election in 2013 with the GSD and defending GSD policy – and indeed when she also stood in 2015 defending GSD policy, of which this issue loomed very large, but particularly in 2013 – one of the points that she made in the by-election, which is a point that is extremely

1535 important in this debate and is the distinguishing feature of what was happening between 1996
and subsequent to 2008-09 is that what has happened in the world is that we have had Greece
and we have had the consequences of Greece. Indeed, if you look at the consequences of
Greece and the effect that it had on the financial system, not only as a response to the effect
that it had on the financial system and the contagion and the depression that that led, not only
1540 in Europe but also worldwide, Governments within Europe reacted, and indeed the United
Kingdom, not during the time that we were in Government but actually subsequent to that,
analysing what had happened subsequent to 2008 and between 2008 and 2011-12, what they
did, as indeed the Governments in other parts of Europe and the world, was that they changed
the definition of public debt. And the United Kingdom in particular – yes, absolutely, the United
Kingdom in particular – which had a policy of not including the debts of Government-owned
1545 companies, of not including, for example, certain aspects of PFI arrangements within the
calculation of public debt and how public debt was computed, then started to include, for the
sake of transparency because Greece led Governments to be more transparent, because part of
the problem with Greece was that lack of transparency ... it led to more transparency and the
inclusion of the debts of Government-owned companies as part of the computation of public
1550 debt.

We fought the election last time round on the basis of those arguments, but we lost.
Absolutely, we lost the election. But the reality is that the situations then and now are markedly
different. And, of course, as my hon. Friend, Mr Clinton, also correctly points out, the situation
then and the situation now are, in our view, materially and significantly different, because what
1555 the Government is seeking to do and what the Government has sought to do since 2012 when it
amended the Gibraltar Savings Bank Act in March of 2012, and in 2013 when it created Credit
Finance Company Ltd and decided to invest £400 million of savers' money into that particular
company, is to have the bulk of its public debt off balance sheet. In other words, not directly the
debt of the Government but the debt of Government-owned companies. And what that has
1560 allowed the Government to do is to effectively come to this House, or to the public, and say our
public debt in gross terms is four hundred and –

Mr Speaker: May I interrupt just a moment? I want to give some guidance for the rest of this
motion and Mr Clinton's motion as well.

1565 The motion is about definition of debt; it is not about the amounts. Whether the public debt
is £400 million or whether it is £1 has got nothing to do with it. Therefore, I am laying down a
marker with the Leader of the Opposition, which I will carry over when anybody else takes part
in the debate, including the Chief Minister's right to reply and to Mr Roy Clinton's motion.
Because, you see, the Government and the Opposition have for months been going at each
1570 other hammer and tongs in exchanges outside this Parliament about the question of public debt
and the amounts involved, and what we are not going to do ... If you want to bring this debate to
the House you are perfectly entitled to do so, but you cannot do that under a motion which has
got nothing to do with the amount of public debt but just has to do with the definition of debt. I
want to make that abundantly clear, because the moment that hon. Members begin to throw
1575 sums of money across the floor of the House I will call them to account. I hope that that is clear.

Now the Hon. Mr Clinton, yes.

Hon. R M Clinton: Mr Speaker, I must bring to your attention that of course my motion is
specifically directed at bringing in Government companies into the definition of public debt, so I
cannot but mention them. So if you have a problem with me mentioning a number ... but I will
1580 have to mention them, although I will exclude the number if you so wish.

Hon. D A Feetham: Mr Speaker, that is the second time that Mr Speaker has interrupted me
during the course of my –

1585

Mr Speaker: That is indeed the second time, and let me tell the Leader of the Opposition that if I have to interrupt him 10 times, or anybody else in this House, (*Banging on desks*) I will do so because that is my job. That is what I have been appointed Speaker for. The moment that hon. Members are not happy with that, all they have to do is to bring a motion of censure against me and then I will be quite happy to go home, having done my duty to the best of my ability. (Several Members: Hear, hear.) (*Banging on desks*)

I thought for months that the Leader of the Opposition and I were getting on very much better since the last election. The moment that earlier today I had to call his attention to a very small matter he immediately challenged me, and now he is doing it again. If he wants to continue to do that, let me tell you that for as long as I am Speaker there is only going to be one winner, unless he does bring a motion of censure against me and is successful. I would like to get on with him as we have been doing since the last General Election, and therefore I am giving general guidance, which I am doing now because I know that the moment that he sits down the Chief Minister will stand up and then the debate will become one about the level of public debt and not about the definition – and it can happen again later this afternoon under Mr Roy Clinton’s motion. That is all I am doing – I am laying a marker. I think I am very liberal. When hon. Members are debating in a motion I am very liberal and hardly ever call any of them to attention.

1605 **Hon. D A Feetham:** May I now continue?

Mr Speaker: Yes, you may.

1610 **Hon. D A Feetham:** Well, thank you very much, Mr Speaker, but of course we live in a democracy and this is the heart of our democracy, and I am as entitled to express my view in the heart of the democracy as Mr Speaker is entitled to express his. And let me tell Mr Speaker he has got it hopelessly wrong. Twice he has got it hopelessly wrong, (**A Member:** Oh!) and I am entitled to express that view to this House and to Mr Speaker.

1615 What we are debating is the definition of public debt, and the reason why we are debating that is because the Government says the definition of public debt ... The Government debt, the debt that the Government owns, on the current definition they say is £446 million gross, and what we are saying is, ‘Well, actually, you should be taking the debts of Government-owned companies, and if you did then it would take the debt of this community to over £1.1 million.’

How an earth am I expected to debate, Mr Speaker? How can we debate the –

1620 **Mr Speaker:** Very simply –

Hon. D A Feetham: ... without actually...

1625 **Mr Speaker:** Very Simple.

Hon. D A Feetham: May I finish, please?

1630 **Mr Speaker:** Very simple: by saying that if the Government’s definition is the issue, then the level of debt is a certain figure.

Hon. D A Feetham: But I was about to do that.

1635 **Mr Speaker:** If it is something else, it is another figure. But what I am doing is laying down a marker that I am not going to allow a debate about the actual debt as seen by the Government or as seen by the Opposition.

1640 Of course this is a democracy, but in this democracy the hon. Members have handed me this, the Standing Rules and Orders, and it is for me to apply these rules, not for the Leader of the Opposition, not for the Chief Minister, not for Mr Bossano, who has been here for as long as long as I have, or anybody else. It is for me, and I said, when I was appointed Speaker last time, I would do it without fear or favour. I do it to the best of my ability. I am impartial. I do not belong to any political party. I ceased doing that many years ago, and in the intervening period I have been totally aparty political. Therefore, I think I am entitled to say that I have a duty to apply the rules of this House as to the best of my ability and as I think fit. *(Banging on desks)*

1645 **Hon. D A Feetham:** Yes, Mr Speaker, and nobody is disputing whether Mr Speaker whether Mr Speaker is applying the rules impartially or not. What I am saying is that it is wrong – that you have applied the rules wrongly and that your view on this particular intervention is wrong, and indeed it is easily tested that it is wrong. The hon. Gentleman has spent, during the course of his speech, three-quarters of his speech talking about the practice under the GSD and talking about how the GSD use to – *(Interjection)* May I, Mr Speaker, please –

1655 **Mr Speaker:** But he did not mention a single figure once. Not once did he bring in any of the exchanges that hon. Members have been having for months.

1660 **Hon. D A Feetham:** But Mr Speaker... Okay, I see that what Mr Speaker finds objectionable is my mentioning the fact that Government gross debt is £446 million and if we took the debts of Government owned companies into account it is £1.1 million. Quite frankly, I do think that Mr Speaker – *(Interjection)* Mr Speaker, can I –

1665 **Mr Speaker:** Leader of the Opposition, please sit down.

You do not seem to understand what I am telling you. You do not seem to understand. I said that I was laying a marker, I was issuing a warning that I did not want those figures that the Hon. the Leader of the Opposition has been mentioning to become the subject of debate. I am laying down a marker in anticipation. That is all I am doing, but you are taking it much further.

1670 **Hon. D A Feetham:** Well, okay, so Mr Speaker is laying a marker for the House in general. Perhaps I would invite Mr Speaker, that maybe if he is laying a marker next time round, that perhaps rather than interrupt Members of the House in the middle of a speech to lay a marker, that perhaps one could wait until after the speech.

1675 May I say, Mr Speaker, that the point is very simple. The point made by the hon. Gentleman, Mr Clinton, is absolutely right. What has changed, apart from the fact that we had Greece in 2008 and that countries have responded to that in terms of their additional transparency, is that what has happened over the last five years is that the Government is increasingly borrowing off balance sheet. In other words, it is not borrowing directly itself in order so that it does not appear on the Government accounts, but it is borrowing off balance sheet via the accounts of Government-owned companies so that then it can come to this House – and I am not going to mention any figures, because I do not want to incur the wrath of Mr Speaker, but in order to say to this House there is £x million owed by the Government, and that is the end of the matter.

1680 That, we believe, is fundamentally wrong, because it does not give an adequate or accurate picture of the indebtedness of this community because, at the end of the day, if a Government-owned company cannot repay, for example, the £300 million that has been borrowed, mortgaged and secured on a mortgage of six housing estates, it is the Government that is going to have to pay it. It is the Government, effectively. These are Government-owned companies, and therefore what we are certainly saying is that whatever has happened in the past, let us be more transparent. Let us be transparent with the people of Gibraltar, let us be *realistic* about what the levels of public debt are, by taking into account not only the direct debt of the Government but also the debt of Government-owned companies.

1690 Mr Speaker will be glad to hear that I am concluding, and there is an additional... and I hope
that I am not straying into territory that Mr Speaker does not want me to stray into, but there is
an additional reason, of course, why the situation is different even today than it was seven
months ago. We have had a vote for Brexit at the Referendum. The responsibility now on all of
us is to be more transparent about where we are as a community in relation to our public
finances, where we are as a community in terms of the borrowing of this community. And you
1695 cannot judge, Mr Speaker, how the public finances of Gibraltar are performing by undertaking
an ostrich exercise and sticking your head in the sand about all that money, the £400 million. I
apologise for mentioning £400 million, but the money in Credit Finance (*Interjection*) – no, £400
million in Credit Finance – and indeed the figure that should not be named, the other figures in
relation to the mortgage on the six housing estates, because combined that is substantially more
1700 than what the Government directly owes in debt.

That is really what divides us. We want to be more transparent and give an accurate picture;
they want to be less transparent and give a picture that is completely and utterly skewed.
(*Banging on desks*)

1705 **Mr Speaker:** Any other contributor to the debate? I call on the mover to reply.

Hon. Chief Minister: Mr Speaker, I want to start by saying that, under the provisions of
sections 50 and 51 of the Standing Orders and Rules of this House, when you speak you must be
heard in silence and that you have responsibility for order and that those of us who represent
1710 the Government on this side of the House entirely accept that. Given where the exchanges have
gone with the Hon. the Leader of the Opposition – who I think should take a healthy dose of
respect medicine – I want to thank you for your service in this House as a Member of it between
1972 and 1992 and for your service as Speaker in this House since you were called upon to serve
again. I thank you in particular, Mr Speaker, for every time you have spoken out against me, for
1715 every time you have interrupted me and for every time that you have interrupted a Member on
this side and you have felt it necessary to call us to order, because that is what we, on behalf of
our community, all of us together, have asked you to do. Therefore, I think it is important that
you know that you enjoy the confidence of everyone who sits on this side of the House and that
you enjoy that confidence even when we disagree with you, because we know that you are
1720 making rulings based on your experience and your interpretation of the rules.

Moving on now to the speeches we have heard from hon. Members, the Hon. Mr Clinton
says that he feels déjà vu in having another motion hijacked. Well, Mr Speaker, I feel déjà vu in
being called lazy twice in one day. It has never happened to me before. Of all the
characterisations which are less than attractive of me, laziness is not one that has often been
1725 put to me. The reason I have copied the first two paragraphs of his motion is to demonstrate to
him in the context of my motion that he is condemning that which his party was responsible for
when it was in Government and his Leader was responsible for as a Minister when he was in
Government. This is not an exercise in laziness; this is an exercise in demonstration of how
wrong his motion is.

1730 Mr Speaker, again, if he wants to change the way that the accounts of Gibraltar are
determined and the interpretation given under a Constitution, under a Public Finance
(Borrowing Powers) Act, the least he should do – if he really wants to succeed and is not trying
just to create a show to try and pretend that he might somehow be now a new GSD that will do
things in a different way, which is clearly all he is doing – then he would call No. 6, not to be
1735 whipped, because I have told him I do not whip my own people, so the last thing I would do is
whip him. Mr Speaker, what he would do is determine whether his motion is likely to succeed or
not. It is not to seek permission. It is that we work in a parliamentary democracy, and if he wants
to get 10 votes, or if he wants to get nine votes so that I get eight and he does not prosper, he
should ask me whether I would back a motion he is going to put or whether I should think of
1740 putting a motion in the same way.

1745 If he has many ideas and he does not want to disturb me at three o'clock in the morning – and I daresay, Mr Speaker, that although I think the public service gives an excellent service, there would be no one to pick up at three o'clock in the morning; and I am not going to be giving him my mobile given that he has evinced an intention to call me at that hour, although he will
1750 find that despite being called lazy, I am usually working at that time but on matters more important than whatever motion he might want to be setting up the Parliament for – then he would know from me whether he stands any prospect of success, or whether all that is going to happen is that he is going to put a motion to give a speech on to try and persuade people of something, which is fine. That can also be something that motions are for, but they do not then result in changes in the way that things are calculated.

1755 The hon. Gentleman has said that there are accountants here at last. Well, there may be an accountant here, Mr Speaker – I do not know whether it is at last or not, but there has been an economist here for 44 years and that economist, by working with people, has been able to change the way that Gibraltar's economy is run and actually put it on a much better footing. Not because I say so. I would say that, wouldn't I, Mr Speaker, of Joe Bossano, but even the greatest
1760 Gibraltarian of all time said it in his valedictory speech here when he spoke in the last Budget that he spoke on in 2015. In fact, Mr Bossano was not here to hear him say that Gibraltar owed Joe Bossano a huge debt of gratitude for the repositioning of the Gibraltar economy after the closure in 1984 of the dockyard and the work that he had done thereafter.

1765 I do not think this is a finishing school for lawyers; it should not be. Lawyers should come here ready and finished, ready to do political work, to be architects – like accountants, like journalists, like mothers, like fathers – of our future, of our society, because that is what we are as lawmakers. We are not here to look at the price of PG Tips and of Brooke Bond; we are here to become architects of the future of our community.

1770 There is one element of the architecture of the way our community is run which we accept and which I will say to the hon. Lady does not go to transparency in the way that hon. Members are painting it, with the very greatest of respect. The hon. Gentleman referred to Gibraltar Capital Assets having happened and this was one of the reasons why he brought his motion. Well, he is getting his chronology wrong. Gibraltar Capital Assets had not been announced at the
1775 time that he put his motion. He found out about Gibraltar Capital Assets because I told him. The community found out about the great secret that is Gibraltar Capital Assets because I talked about it during my Budget speech and I informed the community of the structure of that. I told them about the amounts involved. I told them – the person who he alleges is trying to secretively avoid the company's accounts being talked about. I brought it here, Mr Speaker, so it does not make any sense for him to say that he needs to bring this motion for this purpose. Indeed, doesn't he know that we publish, from Credit Finance Company Ltd, statements online every month? Doesn't he know, Mr Speaker? Of course he does, because when he makes his arguments, which in my respectful submission are nonsensical, about what the level of debt is ...
1780 He says during a General Election campaign that he is going to take the amounts there – and he takes the full amount of £400 million and all the rest of it, and we will talk about later about those amounts, if you like – and he is going to increase the level of debt to £900 million – he said that during his election campaign – in order to ensure that what they say are the amounts involved are covered. That is what they say.

1785 Mr Speaker, how can he say that he needs this change in order to know what is going on in Credit Finance and GCA? He may want to say – no doubt he will in his motion, and as he has indicated today – that he just wants all of the companies to be under the scrutiny of the Principal Auditor. Well, that is his position, but it is nonsensical to say that Credit Finance and GCA are the ones that in particular make that relevant and are relevant after the GSD, because Credit Finance and the GCA, which are the two he says we are responsible for – of course we
1790 are, we created them – are the ones on which he has most information. Most information. What information does he have about the accounts of the Bus Company, which they created, or any of the other companies that they created and operated as trading companies, and which

borrowed? And he says that the change is Credit Finance and GCA. Well, look, Mr Speaker, it is utter nonsense.

1795 And of course the Auditor does not say anything about these accounts, because they are not in his remit. Exactly, Mr Speaker – they are not in his remit, and that is where the Hon. Mr Clinton is entirely wrong, for a simple reason: section 73 of the Constitution and the Public Finance (Borrowing Powers) Act mean what they mean, not what I say they mean, and if the Auditor thought that therefore they cover the companies, he would say so and he would ask for
1800 the accounts and he would put it in his report.

It is not up to this Parliament to say section 73 of the Constitution means this or the Borrowing Powers Act means that, because neither the Chief Justice in our courts or any other judge, nor the Principal Auditor, nor any other party that interprets our laws asks the Chief Minister what it means. That is why we create laws and Constitutions. They are objective
1805 standards that go out into the community and others interpret. And he is coming here to tell us what he says they must mean in the future. He is not saying ‘amend’ it to say this; he says ‘interpret’ it to say this. And so it is not that these companies are not within the remit and can be brought within the remit of the Auditor by something we say here; it is that the Constitution and the law do not put them within the remit under the GSD, under the GSLP, under the
1810 independent Member leading a party informing Government, or anybody else. That is the nonsense of the motion that he has brought.

He says he has three letters waiting for reply; I thought he had two. He will get replies to his letters as soon as I am able to attend to them, but he has to understand that, in the context of what I deal with as Chief Minister, replying to his letters is not a priority. That does not mean
1815 that he should not approach me in writing to deal with things. I commend to him an advance called e-mail, which now enables me to read correspondence wherever I am. It involves small devices or large devices onto which people type and uses the phone lines. I do not know whether he has moved on from letters to e-mail, but if he sends me e-mails I usually try and reply more quickly – I have the opportunity of replying when I am on aircraft, etc. but I do
1820 commend that to him. Others will be able to tell him that I tend to be able to reply quite quickly to queries to which I have the answer when I receive an electronic communication which is mobile.

Then he told us he does not propose to deal with my motion now and he will speak on his motion in respect of the things that he would have dealt with in response to my motion. Very
1825 well, Mr Speaker, he is going to disjoint the debate. I am quite happy for it to be disjointed, we can do it in that way, but I can tell him now that if he continues to put motions that I think are nonsensical he will continue to receive motions from the Government affirming practices even under the GSD, as he has in respect of this one.

Mr Speaker, I cannot agree with the interpretation of Ms Hassan Nahon in relation to
1830 transparency, because, as I have said to her, the issue that we are dealing with – and in fact the Leader of the Opposition then usefully got up and demonstrated it for me, this question that he said, which is the post-Greek issue and Gibraltar Capital Assets and Credit Finance Company Limited. That information is out there, and they have got it because I give it to them. So can they at least please acknowledge in the context of what they are saying that this Government is
1835 giving more information than any Government in the history of Gibraltar in respect of the Government companies – two of them in particular, Gibraltar Capital Assets and Credit Finance Company Ltd? And the information that we do not give in respect of Credit Finance Company Ltd – the Hon. the Leader of the Opposition, who is often the one up asking for it, knows that it is impossible for us to give, because it is who is Credit Finance lending to, how much have you lent
1840 to them, what is the interest rate you are charging. It is nonsensical for him to ask for that information, and he must not get away with using our inability to reply to that, because of confidentiality of the borrower, as an attempt to suggest that something is not transparent.

The best alternative example is the Royal Bank of Scotland and Lloyds Bank – which is owned primarily by the British taxpayer in the same way as Credit Finance is owned primarily by the

1845 Government of Gibraltar – not being able to tell you what they are lending to whom. So the
nonsense that the Hon. the Leader of the Opposition is perpetuating by that argument, and
which the hon. Lady should not fall for and neither should anybody else in this community, is
that he gets up and says, if he were in another Parliament, ‘Theresa, I have seen the accounts of
the Royal Bank of Scotland – what is the amount of lending in Gibraltar, who has it been lent to
1850 and how much is the interest?’ He would get exactly the same answer from Theresa May that he
gets from Fabian Picardo. It may be a Government-owned company, but I cannot give him the
information because of covenants of confidentiality. But you have online a lot of information
about Credit Finance Company Ltd and you have in your possession already a lot of information
1855 in relation to Gibraltar Capital Assets Ltd and you have been invited to a meeting on that. But I
will tell you what you do not have and what you did not defend in the General Election or in the
by-election when you stood with the GSD, and what you have not sought is the information in
relation to the companies that they established – because they did not even file the accounts.
They did not even comply with the law to file accounts. So the hon. Lady will find me not able to
agree with her in respect of this amount of transparency, because if she were at least to say, in
1860 the context of the way she puts her argument, ‘I accept that you are giving more than they gave,
but I would like you to give more,’ fair enough. That is an argument which then I would meet by
saying, ‘We invite you to a meeting on one, and the information we are not giving on the other is
the confidential information.’ (*Interjection by Hon. Ms M D Hassan Nahon*) Fair enough. But it is
different, in my respectful submission, to simply say, ‘I believe in transparency – you should give
1865 more.’

The hon. Gentleman then got up and told us that the hon. Lady had spoken because she had
no alternative than to defend the record that she had defended at the General Election and the
by-election and the position she had put. I think he is trying to somehow cast the net wide
enough that she is stuck with all of the historical baggage that she has now unstuck herself from,
1870 so that at least there is not a rising star on the Opposition benches who can speak freely without
historical baggage and he is stuck with the excess luggage of 16 years of GSD Government, which
is really enough baggage that he would not be accepted on a British Airways flight. But he says
this is an issue that loomed large at the General Election. It loomed large because Credit Finance,
of course, had been created by the time of the General Election and was one of the central
1875 pillars of what we were told was a coming GSD return to Government. ‘We lost,’ he said, but he
did not lose, Mr Speaker – he lost with, on average, less than half the votes. If he wants
transparency on figures, we are talking about over 10,000 and an average of about four. People
believed the Government was right, therefore, in many of the things that we were doing, and in
particular this, because he said it was a central tenet of the thing. Well, it was a central tenet
1880 and we won. Don’t tell me that we won because of our designs for a new Commonwealth Park
on the Upper Rock. If it was a central tenet, then the people are with us on that issue.

Then he started to refer to Greece, Mr Speaker, and I thought for one moment that he was
going to do a Travolta-like turn on something. (*Laughter*) He has done so many U-turns in his
political career, I thought we were in for a *Strictly Come Dancing* style spin on his toes. It is
1885 nonsense to say that Greece is what changes everything. Knowing, as I do, how his brain
functions, he must have spent hours trying to work out how to try to draw a distinction between
2011 and everything that was done then being done right, and exactly the same thing being
done thereafter, with more transparency and more information given out, and still not
demonstrate what a political hypocrite he is to pretend that we should now do things
1890 differently. And he thought ‘Greece!’ Mr Speaker, he needs to watch that movie again, because
he really was not able to sound persuasive in any material respect in any of the arguments that
he made.

The figures that he quoted – and in my view, Mr Speaker, you rightly have tried to prevent us
from having a debate on the level of public debt; I will only say this – are wrong. They have now
1895 spent quite a considerable period of time, as you have detected, trying to pretend that the gross
debt of Gibraltar is £1.1 billion. It is utter nonsense. I have enough of a high regard for him as a

1900 professional – not as a politician, and I always try and divide the two – that even he cannot, as a politician, believe that the numbers that he is giving are true. I have to accept that he therefore thinks that he can pull the wool over people’s eyes and pretend to somehow persuade some people that that is true, but we are not going to fall into the trap of being ostriches and allowing him to do that. We are going to challenge him every time he tries to pretend that that is the case, and we will demonstrate that that is not true.

1905 Because he would like to forget, Mr Speaker, in the analysis that he is doing and does, the amounts – it was about two hundred, let’s not get into it – of the Savings Bank bonds that they had when they were in Government, because when they do their calculations they try to ignore all of those things, and the company debt that they had when they were in Government. Or doesn’t he remember the debate that we had about fitness to govern when I was Leader of the Opposition? *(Interjection by Hon. D A Feetham)* Mr Speaker, the Hon. Gentleman is saying the figure of £24 million in bonds in the Savings Bank. Okay, I am delighted that he has given that figure. Given that we are going to have another debate on this subject later, where it appears that figures may be more of an amenable issue and they may be mentioned, I will leave it to then, but we are going to have a lot of fun with £24 million, Mr Speaker.

1915 It is absolutely right that the Government should come to this House not just to deal with the motion put by the Hon. Mr Clinton, which we will deal with later, but to actually put a positive motion asserting the position that has been accepted for the past 21 years in the interpretation of the Constitution and the Public Finance (Borrowing Powers) Act and continue to assert that that is the correct position to take. It is absolute nonsense to pretend by motion to change the meaning of a principal and overriding enactment like a Constitution or to think that by motion one can change the meaning of a law. Therefore, Mr Speaker, the Government was not just hijacking a motion, the Government was acting entirely properly in bringing a motion affirming the interpretation actions and accounting of this nation from 1996 onwards under its former Chief Minister, my predecessor – for whom I have a lot of respect but I had very little regard for much of what he did in Government – and every Financial Secretary and Accountant General since, and to deprecate an attempt to do the opposite by somebody who has been in this Parliament for months.

1925 And therefore, Mr Speaker, pleased that there will be a division on this vote. I commend this motion to the House. *(Banging on desks)*

1930 **Mr Speaker:** I now put the question in the terms of the motion moved by the Chief Minister. Do you want the Clerk to call a division?

Hon. Chief Minister: Well, I mean, Mr Speaker, as I understand it, the division has been called for by Mr Clinton but it is seconded by me.

1935 **Mr Speaker:** Very well.

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

The Hon. R M Clinton
The Hon. D A Feetham
The Hon. Ms M D Hassan Nahon
The Hon. L F Llamas
The Hon. E J Phillips
The Hon. E J Reyes

ABSENT

The Hon. T N Hammond

Mr Speaker: The motion is carried by 10 votes to 6, with one Member being unavoidably absent.

When we return this afternoon, it is the Hon. the Minister for Business who has two fairly routine motions.

1940 I propose we recess until 3.15.

Chief Minister (Hon. F R Picardo): I was going to propose exactly that, Mr Speaker.

Mr Speaker: The House will now recess until 3.15.

1945

The House recessed at 1.24 p.m. and resumed its sitting at 3.15 p.m.