



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

FIRST AFTERNOON SESSION: 12.05 p.m. – 2.55 p.m.

Gibraltar, Friday, 8th July 2016

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| <i>The House recessed at 2.55 p.m. and resumed its sitting at 4.36 p.m.</i> | <i>36</i> |

The Gibraltar Parliament

The Parliament met at 12.05 p.m.

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

[CLERK TO THE PARLIAMENT: C McDonald *in attendance*]

Order of the Day

Appropriation Bill 2016 – Debate concluded – Second Reading approved

Mr Speaker: I now call the Chief Minister to exercise his right of reply on the Second Reading of the Appropriation Bill.

5 **Chief Minister (Hon. F R Picardo):** Thank you, Mr Speaker.

Well, we started on Tuesday to debate this Bill and it is already Friday – doesn't time fly when we are enjoying ourselves!

The Appropriation Bill this year has been held in the context of the result of the Referendum, now exactly two weeks ago since we heard that result – the context of 14 difficult days for Europe; 14 difficult days for the United Kingdom; and, of course, 14 concerning days for Gibraltar. And I think that has had the effect of tempering the way that perhaps this Appropriation debate has gone.

I want to thank hon. Members for that, although I have detected some element of the partisan in some of the things that were said in the context of the debate; and I am afraid I am going to have to respond to those aspects of what was said and ensure that the record is not in any way tarnished by some of the incorrect – and frankly misleading – statements that we have heard in the context of the debate in this House. Mr Speaker, despite the moment in which we live it is important that *Hansard* should not rest with those incorrect references in it.

For most of the Members on the other side, I think this was their first Budget debate and I want to congratulate them all without exception for their maiden speeches. In 2003 all of us who were new on the other side were congratulated – bar one – and that one now replies for the Government. And I was not congratulated, obviously, because the greatest Gibraltarian of all time – as the Hon. the Leader of the Opposition referred to him – did not like to single me out for praise on any occasion.

25 Well, Mr Speaker, I thank him for the whip that made me strong enough to be able to usurp him from his position five years ago.

They made maiden speeches which contained many, many rookie errors and I will have no alternative but to deal with those to correct the record, of course.

30 Mr Speaker, in 2003, the year that I made my maiden address from those benches, I reminded the House that Gladstone had observed in Westminster that:

Finances, as it were, are the stomach of the country, from which all the other organs take their turn.

Well, this is a *very* healthy country indeed, because the finances of this nation are now stronger than ever and anybody who cares to look at the state of our finances and analyse them with a critical eye, but without a view of simply denigrating for the sake of it, would take exactly that view. (**A Member:** Hear, hear.) Thank you!

35 In these difficult, challenging times it is absolutely right that it should be that way; and the management and the stewardship of the economy for the past five years – and of the public finances in particular – is what brings us to that moment.

But, Mr Speaker, the debate about public finances that hon. Members have engaged in, and the way they have addressed issues in the past three days has been little different to the attitude that they took during the general election. And when I say ‘hon. Members’ and then I say ‘Members opposite’, I do not mean to include the Hon. Independent Member whose contribution I will address on its own at the end because she shadows all of our portfolios. I am referring to the current official party of Opposition.

Well, Mr Speaker, that debate that we have had not since last Tuesday and in fact, not since 45 last November – we have had that debate since the Hon. the Leader of the Opposition took the leadership of the Opposition three years ago – is one which is really based on attempting to present an excessively negative view of everything that relates to the public finances of Gibraltar, simply for the purposes of trying to create a fear in people that the Government is somehow not managing finances properly.

And I say, Mr Speaker, in the three years since the Hon. the Leader of the Opposition took 50 over in the leadership of the GSD, because it could not have been thus under the former Leader of the Opposition – the Hon. the Backbencher, as we used to know him, in the days before he left, but the former Chief Minister, the oft-referred to greatest Gibraltarian of all time. The first meeting that we had in this House in 2011 when we came here as fresh-faced Ministers, the lot of us – except for the veteran, Joe Bossano – to take over Government, we heard ... and it is important that Members opposite understand this because this is the political moment which they inherit and which they still live. We heard the Hon. Sir Peter Caruana tell us that under the GSD administration which had ended days before, they were burning so much cash on projects that they were about to hit the ceiling of debt and that he would therefore support a 55 GSLP/Liberal Government bringing a motion to the House to *exceed* the ceiling of debt.

So, Mr Speaker, the prudence that they have pretended to make their own since the Hon. Mr Feetham became the Leader of the Opposition, is one which ill befits them because the inheritance ... what the Hon. the former Deputy Leader of the Opposition used to say with his usual smirk, was ‘the golden legacy of the GSD’ which Mr Llamas has now taken to referring to.

65 The golden legacy of the GSD was an abject surrender, Mr Speaker, on the day of the ceremonial opening – not on the first day for questions, not on the first day for debates, not at the first Appropriation debate ... on the ceremonial opening! We were just giddy with having got into Government and still trying to work out that when they said ‘Chief Minister’ I was the one who had to stand up and not him!

70 He was saying to us, ‘I recognise that the cash burn rate is so high that you are going to exceed the ceiling of debt and so if you bring a resolution I will support it’.

Now, Micawber would be happy to know, Mr Speaker, that in fact what we did was *not* accept the invitation to breach Gibraltar’s ceiling of debt because of GSD spending – we stopped it! We stopped every single GSD project until we were able to analyse it, until we were able to 75 make it more affordable, until we were able to ensure that Gibraltar did *not because of the GSD’s administration of our public finances* have to breach the ceiling of debt by Resolution of this House, as the former Chief Minister had invited us to do.

So, Mr Speaker, with that context ... let alone with the ‘doomsday memo’ from Dilip Dayaram, the then Financial Secretary telling us that we were running out of money if we did 80 not bring the motion. With that context, the things that they have said today – and, again, I am talking to the current official party of Opposition, not to the Hon. Lady – ring hollower than the inside of a drum. Because, you see, there was talk of there being elephants in this room.

And I have to take issue with that, Mr Speaker, only in one particular respect: *there is not an elephant in the room*. It is nonsensical for hon. Members who have referred to *an* elephant in the room – there are 10 elephants in this room ... ten elephants that have a memory that will not allow Members opposite to forget what happened when *they* were in charge of the administration of Gibraltar's affairs. Ten long memories that will not allow them to get away with pretending to be prudent when in fact they are spendthrifts – absolute spendthrifts!

I am going to deal with those issues in detail as I go through their contributions – in particular I am going to deal with the issue of Mr Clinton saying, 'Oh, but the interest rates are lower now than they were before!' Well, interest rates may be lower now – and do the analysis that he does not need me to do about LIBOR and the Bank of England rate which he probably understands but which just was not convenient to deal with the reality of in the context of the speech that he wanted to make.

But it is true that today, as six months ago ... and that is probably in six months from now, if the hon. Member went to DFS to buy a sofa he will see from the advertisements on the Sky News channel that you can probably get it with 0% interest if you finance it over 10 months. But that is not what a nation financing over 30 years through its company structure is going to pay – as he well understands, and I will deal with that. And that is why 3.85% was such an excellent deal; but I will deal with that in detail as well, Mr Speaker.

I would prefer, like the CIA – rather than elephants – we do not forget, either the things that they say now or the things that they used to say under the banner of GSD in the past four years, or in the past 16 years.

I want to start, however, with an excellent contribution in one of our daily newspapers by a gentleman by the name of Jonathan Jeffries. I do not know whether hon. Members read his contribution, but it deals with all of the issues that we have been dealing with in this House since the Hon. the Leader of the Opposition took over the current official Opposition party, the GSD, and his attempts to taunt us, or trick us, into the road of austerity versus the road that we have pursued – which is of investment in Gibraltar, investment in public services and ensuring that our community prospers as it has.

And it starts like this, Mr Speaker, from yesterday ... I am sure hon. Members might have read the first few sentences and decided it was not worth going on. But I think it is worth them hearing it from me because it is important that this letter be on *Hansard*, Mr Speaker.

'Spending Taxpayers' Money' is the heading of the letter:

Dear Editor, I wish to congratulate the Government of Gibraltar on their budget for Brexit.

I guess they stopped there, Mr Speaker, but it gets very good.

The Government of Gibraltar has made a sound judgement in not following the United Kingdom in its austerity plan. I do have concerns about the economic judgements made by the Opposition in particular in relation to the Government of Gibraltar debt.

I wanted to point out by way of this letter to Gibraltarian voters how important it is that a government spends money. In the context of Gibraltar, the Government pays for many things like Mount Alvernia, the Health Service the Victoria Stadium, the buses, schools, housing estates and now, in the summer, the Bathing Pavilions. All these things are important to have.

If the focus was to pay the debt then there would have to be spending cuts. To the ordinary worker or pensioner spending cuts would be like living in America where you have to pay for everything after paying tax, rather than the tax to be used by Governments to pay for things that people need to have fulfilling lives.

Even where the government debt exists governments borrow –

they borrow –

that money at a cheaper interest rate than any citizen going to their local bank and asking for a loan or having to use a credit card There are no fixed dates or times that the debt would have to be paid. Plus a government can have the ability to increase taxes, let's say on businesses or tourists to keep finances stable –

But if you do it really well, like we do, Mr Speaker, you can actually bring taxes and costs down.

If you look at the UK the experiment that is austerity has been sold to the working class as the need to cut government debt in a hurry or else you mortgage the country's future. So for the last six years the Government has been cutting its spending and therefore increasing the university tuition fees that now students have to pay to the tune of £9,000 per year of study. You now have to pay for your own social care or sell your house to pay for it. Children's centres providing subsidised childcare have closed. Libraries and swimming pools have also been closed.

Or in the case of my college, making half of the teaching staff redundant, closing down courses and not having had a pay rise for 6 years.

Contrast that to the position in Gibraltar where we have just opened our University.

Yet taxpayers are paying more tax than ever and there has been no cut to the UK Government debt – in fact, it has increased.

As spending cuts have led to job cuts in the public sector and less investment in the private, so less tax is paid. No wonder the cuts in Government spending have been linked to a rise in mental health problems as people feel they have to pay more for things with less money.

So I would argue to voters in Gibraltar to be cautious about *el cuento* of the Government debt. Those that argue about the debts, to my mind, only want to cut services to allow business to pay even less tax. Good government means investment and spending in areas where the people and the economy need it the most – that is why workers pay taxes, because it makes common sense and you get something back for it.

So enjoy your publicly taxpayer-funded summer nights in the knowledge you do get something back.

120 I am tempted to sit down and commend the Bill to the House! And, in addition, in Gibraltar in the context of business costs going *down*, as well.

I know they would wish me to do that, Mr Speaker, for then I would not spend the time I am required to spend, correcting everything they said which just has absolutely no basis in fact. They should be so lucky, Mr Speaker.

125 Well, in fact, I am not surprised that 'Danny and the Yes Men' do not want to come to the Music Festival this year – they are not an act that we were thinking of signing anyway, and they do not want to hear what I have to say!

And, seeing the new configuration I am almost reminded of that great old poem The Charge of the Light Brigade ... 'Yes man to right of him, yes man to left of him, volleyed and thundered' – as he is about to be.

130 Although I must just pause to give an element of advice to hon. Members opposite because, having sat in this place since 2003 – but by no measure the longest-sitting Member of this House because I am of course of the age that is the pedigree of Joe Bossano – he has been here for 44 years, I have been *alive* for 44 years so I am very far from being able to claim to be the longest-sitting person here.

135 I have been here for all the time that the Hon. the Leader of the Opposition has been here, because he arrived in 2007 and I had arrived in 2003. And I have to tell him ... and, in fact, I have to tell Mr Hammond and Mr Phillips, that if they go back and look at the photographs at the people who have sat next to Mr Feetham since he arrived here in 2007, have not come back after the following election because they have either been left out by the voter – (*Interjection*) on both sides – or left out by the executive committee that might have selected them. So, their seating arrangement is a matter entirely for them, but I think this is more than a coincidence, Mr Speaker. (*Interjections*)

Maybe Mr Phillips should have stayed in the 'rocket chair' at the end of the row.

145 Mr Speaker, I am going to go through doing the analysis – whether 'Danny and the Yes Men' want me to or not – and I am going to ensure that I deal with the issues of Government rents, etc. which they have raised as well. They seem to want us to increase rent further and we have been very careful with how we have increased rents because we do not want to increase rents in the way that is punitive, for the reasons that Mr Phillips suggested that it should be punitive. I detected in him a desire to see people pay more. And that should never be the attitude of people in administration.

150 In my initial address on the Appropriation Bill I said that in Gibraltar's history we are now in the time for extraordinary people to do extraordinary things. I heard very little from the official

Opposition that suggested that they were ready to be our partners in doing so; but they did say some extraordinarily contradictory things in the context of the six speeches that they delivered.

155 They demonstrated, Mr Speaker, that there was very little vision in their approach. There was very little positive critique – there was much more petty critique. And at a time when we do need substantive understanding of what is going on and substantive contribution from different sides of the House.

160 This is a time of great challenge. Indeed there is a fantastic quote from Lenin, who is not somebody who one should often quote, (*Interjections*) although the Hon. Mr Bossano might take issue with that! But Lenin is reputed once to have said, no doubt in his mother tongue:

There are decades where nothing happens; and there are weeks when decades happen.

And I would say that in the past two weeks, decades have happened.

165 Mr Speaker, the Hon. the Leader of the Opposition started his contribution in effect trying to say that whatever we might have done in this Budget – because I think he had written the contribution before he knew what I was going to say, so he tried to do it in the way that it might have gone in either direction. In effect he was laying for us a Gordian knot: whether I raised costs or whether I lowered costs in Gibraltar, of doing business or of taxation, I would be doing the bad thing.

170 Of course, if I *raised* costs then his attack would be because the cost of business was going up or because taxation was going up, etc.; and if I lowered costs then I was being Father Christmas and I was not responsible. And it would have been a good tactic if it was not so transparent.

But it is not a question, when you are dealing with a sophisticated community like the one we are dealing with, of being either Father Christmas or Scrooge. It is not that easy; it is about careful calibration.

175 But he never gives us the advantage of saying that we have got it right. Although I did hear him through gritted teeth congratulate us for this year's economic performance. Through gritted teeth, Mr Speaker, of course because you see he congratulates us for this year's economic performance which demonstrates that three years of his performance as Leader of the Opposition has been based on a false prospectus – namely, that the economy was going to fail the minute that the election happened.

180 So, what does he do? He recognises that he has been wrong for three years, but he says, 'Ah but this year I am going to be right' and comes back to his mantra of us not being prudent and we are about to run out of money, etc. – which is what he has been saying since he took over as Leader of the Opposition.

185 I am not going to tell him the story of Santa Claus because he does not want to be known as the person who wanted to kill Father Christmas; I am not going to tell him the Christmas Carol, because I am sure that the only person who will feel characterised by Scrooge on that side is not him. But I am going to tell him the story about 'The Boy Who Cried Wolf', because he has been crying Wolf now for so many years – that we are going to run out of money – that he has now recognised through gritted teeth that the performance of the economy for the year ended 31st March 2016 was magnificent.

190 So, Mr Speaker, he has to accept that at least in financial years 2012-2013, 2013-2014, 2014-2015, 2015-2016 he got it wrong!

195 He could say, 'Well, chaps, you know what? We have no choice now we have stuck our colours to the mast. Even a clock that is broken is right at least twice a day – let's stick with it.'

Well, on this issue, Mr Speaker, the clock will never be right, not even once.

200 Last year, to set things in context – and I will come back to this issue later on – the whole debate was not just about, 'You are about to bankrupt Gibraltar' ... and if hon. Members who were not here last year, who would be excused for not listening into a whole budget debate if they were busy doing other things, would care to go back and read the *Hansards*, they will see that the accusation was that we were about to bankrupt Gibraltar. The hon. Members felt that

they were a moment away from a general election and scaring people was the only way that they thought they could produce the votes. A bit like *Monsters University*.

205 I do not know whether Members opposite have seen that fantastic cartoon where the monsters scare children and the children's screams are what produces the energy and, in that way, the monsters power their university.

Well, the scaring did not work. But they were not just scaring on the financial side; last year we had probably the most acrimonious debate in respect of the Appropriation Bill, over the issue of whether or not we were going to blow up Gibraltar!

210 The CIA on this side, the elephants in the room, have not forgotten that last year the accusation was dual – it was two-pronged. On the one hand we were going to bankrupt Gibraltar and this would be seen the minute the election was over, and the real numbers were there; on the other hand, we were going to blow up ... And in one of the moments of greatest gusto that I saw the Hon. the Leader of the Opposition on television pointing to one of his charts with the
215 Hon. the Air Traffic Controller – they were pointing to most of the north-western side of Gibraltar being potentially erased from the map!

Now, I know that they lost the election ... well, they did not just lose it, they *thumped* it – they really did lose it. But we have not heard them say for one moment after the election, that there was a danger with the LNG plant and the power station. And I commend them for it, Mr
220 Speaker, because it demonstrates that they knew they were wrong throughout the process and they were *only saying that*.

Obviously, if it were true that we were going to blow up Gibraltar the debate is not wiped clean even if seven out of 10 Gibraltarians rejected them ... (**A Member:** Hear, hear.) I would have expected that there would have been at least six members of the Opposition chained to
225 the gates of the new power station works.

Mr Speaker, I must tell him that if I, or John Cortes or any other Member of this side of the House believed that they in Government were about to install a plant that was going to potentially blow up all of the north-west face of Gibraltar – whether I was elected or even if I was completely rejected and left out of the three who fall off from the 10 being elected ... If I
230 was Kim Karnani, Robert Vasquez or Chris White that would not matter to me, I would still chain myself to the gates to stop the irresponsibility of bringing to Gibraltar a plant that would blow up the north-west face.

And so, Mr Speaker, they either have not got the courage of their convictions or they never had their convictions – which they have demonstrated because eight months after the election
235 all of those complaints were dropped. But I will come back to that later.

The Hon. the Leader of the Opposition wanted in his address to ... well, I assume he had written, at least he must have had the prescience to write both, but I do not know with him ... to either have written the speech that said, 'I can't believe Mr Picardo is going to tell us he is going to deliver on his manifesto commitments' – if I had recommitted myself to them. Or the other
240 one, which said, 'I can't believe Mr Picardo has said he will *not* deliver on his manifesto commitments – he should never have won the election because he never intended to do that.'

I would have thought he would have written *both*. He delivered the first one, 'I can't believe Mr Picardo is going to commit himself to deliver his manifesto commitments, he should not have done so, this is a time to pause and reflect.'

245 Although I see that he adopted my language of 'pause and reflect' in an interview with the fantastic *Daily Panorama* that I have read today – or at least, Mr Speaker that is what the interview says, unless he is suggesting that the *Panorama* reporter has put the words in his mouth. Something which I am sure would not be the case.

Of course the problem he had was that I said we would be looking constantly at the performance of the economy to determine what we could and could not do. But I think that
250 what will become evident during the course of my response is that the five others did not get the memo.

255 You see, whereas Mr Feetham went on television to say, 'I cannot believe that the Chief Minister has recommitted himself to his manifesto commitments' – we were then treated to five speeches telling us that it was dreadful that we had not yet completed on our manifesto commitments ... never mind the fact that we are only six months in!

260 So I think, Mr Speaker, what must have happened at GSD Headquarters ... and it appears that there is an element of disarray there since the Hon. Lady left their ranks. She must have given them the speech saying, 'Budget debate: push them on their manifesto commitments'. Then gone home, taken better advice and been told, 'Prepare to tell him that he should *not* comply with his manifesto commitments' – and then he forgot to press 'send' on the email telling the others to change tack.

265 As we will see, this has been a Budget debate where the Opposition contributions have been inherently contradictory *inter se* – and in a way that I have never seen in this House. I have never seen it in this House. But that is what happens, Mr Speaker, if there is not leadership.

270 The Hon. the Leader of the Opposition said, 'You must stop the projects; you must not deliver the manifesto commitment'. John Cortes said, 'Look, we have got an issue with the sewage waste treatment plant; it is an easy obligation. Where are we? There is Brexit – pause.' Daniel Feetham said, 'That is not enough. It is not enough to just pause in respect of the waste treatment plant.'

He said this, Mr Speaker – on page 9:

Indeed the GSLP/Liberal Government has announced that the sewage plant will be put on ice in order to save funds in the event of a full Brexit, while adopting measures that would encourage start-ups on the Rock with more than five employees. But the GSD Leader feels more needs to be done.

275 More needs to be done! So it is not enough that we have put the sewage treatment plant on ice and, yet, the hon. the air traffic controller, Mr Hammond, chastised Mr Cortes in respect of the sewage treatment plant. He said it should be done; it should be a 'priority' for this term!

Mr Speaker, I cannot understand how it is that two people who sit so close to each other do not co-ordinate their messages. I just cannot understand it.

280 Then, Mr Speaker, we were subject to complaints about dog parks, and 'build more for rental', and 'build more rental for the elderly', and 'where is the theatre?' Well, Mr Speaker, it seems to me, that the Hon. the Leader of the Opposition Party is not singing from the same hymn sheet as him. We are not doing enough, according to him, for putting the sewage treatment plant on ice, and yet the others are saying that we are not doing enough because we must complete on all of these commitments.

285 Well, look, Mr Speaker, it is a very good thing, too, that one of the first things I do when I get into the office every morning is to read *Panorama*. It is a very good thing too, because I am going to come back to some of the things that the hon. Gentleman has said there, to demonstrate just how out of kilter most of their contributions are with each other.

290 In any event, Mr Speaker, didn't they all hear the consistent message from this side of the house, which is that we are constantly reviewing where we are going because of Brexit – not for any other reason. But it is really, Mr Speaker, quite something to see how not joined-up the other side is and how, from contributor to contributor, the goal posts were moving.

295 Mr Speaker, it was clear to me in the context of the contribution of the Hon. the Leader of the Opposition that he does not understand how the commutation of pensions work. He was suggesting that, if we were not doing that or we were doing it out of Government, somehow better results would be yielded. Well, Mr Speaker, he is wrong on both fronts. First of all, the Government still pays Credit Finance Company Limited the amount of the pensions that we would have paid the individuals who commuted, so there is no flattering of the Government accounts in that respect. The pensions are paid, even in the context of a pensioner who has commuted, in the same way as they would have if that person had not commuted, but, of course, they are paid by assignment of the pensioner to Credit Finance. We gave him a copy of the assignment, Mr Speaker.

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Now, Mr Speaker, we had a very detailed debate about how, nonetheless, the accounts might be flattered in the small amount, in the context or not of having to pay the 25% commutations that might have been paid before. He can go back and read them, Mr Speaker, because we had a sensible, reasonable, careful debate, where we dealt with every penny of this issue in the presence then of the Hon. the former Chief Minister, who understood the issue and then accepted how it was being done. It was a sensible debate; in the same way as we had a sensible debate with the then backbencher in the context of LNG and risk and de-risking: a very sensible debate, which I think really helped people to understand what the issues were and clarified the cloud that the hon. Members were creating.

Mr Speaker, he also does not seem to understand how the Community Care issue worked and why it is that an amount is given by the Government in respect to Community Care, and why the surplus is also given so that the total amount given this year is in the context of £27 million. But, of course, if Community Care were not able, in any particular year, to pay the Household Cost Allowance and the Government were not able to contribute, it would have the kitty from which to pay. That is why, in part, it is a Rainy Day Fund.

But, then, Mr Speaker, he got up to reply to me – and I think the only bit that he had done on his feet, although I was not sure because I thought he was reading it – was his analysis of Community Care as not being a rainy day fund. Here, again, Mr Speaker, his analysis lacks complete consistency.

I will explain to him in ways that he can understand why that is the case. You see, he says, ‘I am with Bossano.’ Bossano created the rainy day funds and before 1996 and that is what he would have wanted to be doing now, and, ‘Look at you. You are throwing money away.’ Because, of course, ‘Community Care is not a rainy day fund; it is not accessible.’ Well, Mr Speaker, doesn’t he know that the rainy day funds that he prays in aid, in the context of this argument ... I know that he does not like to listen to me, Mr Speaker, but this is actually an important thing for him to understand – it is up to him. What he prays in aid, in the context of this analysis are the rainy day funds Joe Bossano created before 1996, which were Community Care; which were the Reserve of the Savings Bank. Of course, Mr Speaker, there was then the Sinking Fund for payment of debt, which the GSD got rid of, and, Mr Speaker, even before the Hon. Mr Clinton – who I will come to in a moment – was in this House to recommend that we should bring it back, we brought it back.

Mr Speaker, these were all the rainy day funds which the Hon. the Leader of the Opposition nostalgically refers to. They are the rainy day funds which are back today and the ones that he today says, ‘Well, those are not really rainy funds; they are the ones that Bossano had, not the ones that Picardo has today.’ Well, look, Picardo has the benefit of having – thank God – someone like Bossano next to him to help to understand these issues and to create the same rainy day funds. So, if he wants to enjoy the benefit of some lustre, pre-1996, of the GSLP, he has to realise it is the same lustre that shines on us today as GSLP/Liberals in respect of those sinking funds.

Mr Speaker, the £300 million loan, as they like to call it; mortgage, as they like to call it; financing arrangement, which they now appear to be gearing up to say is the worst thing since sliced bread. Well, look, they really must think that the people of Gibraltar are very stupid indeed – and I have so much more respect for voters, Mr Speaker. I think that voters here have the most analytical eye in Western Europe, if not the world. They see through things, Mr Speaker. They see through gas clouds that ignite and blow up north western districts; they see through threats of bankruptcy; and they see through the idea that this is the worst possible thing. Because you see, Mr Speaker, when you say to people. ‘You see, we have created this financing arrangement; we have raised this money as an alternative to selling it off’ – I come to the detail of it in a minute when I answer Mr Clinton. I will give the detail, Mr Speaker, that I gave already, which is more detail than we would ever have got from the other side. Because the stated policy of Members opposite, when they were here ... I know they do not like history, but I will come to that too, Mr Speaker. There are two of them who were here; two of them who

were doing these things from these benches. They were going to sell off every single post-war apartment that the Government of Gibraltar had, including the ones at Mid Harbours! Every single one! They were going to alienate ownership of those assets from the people of Gibraltar and lose them forever.

The hon. Members have to realise that they have said something that I am going to remind them of for the next three and a half years, mercilessly, if they think that this is going to be an issue they can use in the General Election. They said we are 'mortgaging the family silver'. Well, Mr Speaker, you know what we are doing if that were the case – which it is not – at least we are keeping the family silver; they were going to sell the family silver for less and never have recourse to it again, whilst we get to keep the family silver in the family. Everybody in the family gets to use it and we have raised cash for the community against it: a much, much better deal by any analysis.

When they come to analyse the transaction, Mr Speaker, they need to remember and set it in the context that GSD policy was to sell those assets, but whilst retaining a responsibility to maintain them for 12 years. Mr Speaker, I do not think Micawber would have thought much of that, when he was pulling out his pencil to do his *cuenta la vieja*.

Then, Mr Speaker, I heard the Hon. the Leader of the Opposition say that we had 'distorted the accounts of the Government'. He used the words 'he distorted the accounts'. Well, look, Mr Speaker, I try my best to do my job to the best of my ability, every minute of the waking day: my job as Chief Minister; my job as Minister for Finance; my job in respect of all my ministerial responsibilities; and my job as a son, husband and father. The one thing he knows, Mr Speaker, that I would never claim to be is the person that puts together the Estimates' Book. I do not put together the Estimates' Book, Mr Speaker. When Joe Bossano was Minister for Finance as Chief Minister, he did not put together the Estimates' Book, Mr Speaker.

We have professionals in the Ministry of Finance and in the Treasury who put together the Estimates' Book; who give us the numbers. So, Mr Speaker, any allegation that there has been a distortion of the numbers in this Book is a gross allegation against the professionalism of the professional men and women who work for the Government and these Departments. Mr Speaker, on their behalf, I deprecate it. They do not deserve it.

Mr Speaker, in the context of what he was going on to talk about, he has to remember as well, in terms of the cost of doing business in Gibraltar, that one of his electoral commitments was that he was going to means test the subsidy in respect of electricity and water. I mean, it went down like a lead balloon when he explained it as one of his key commitments at the GFSB question and answer session, because, of course, the cost of doing business in Gibraltar would go prohibitively through the roof. At the moment, before the new LNG facility is completed, with the systems we have in place today, if you were not to subsidise electricity and water, we would probably lose most of the international businesses that we have if we charged the full amount of producing electricity and water, in the context of the oil prices as they have been and the hedge that we have, Mr Speaker. So, when he wants to talk about the cost of doing business in Gibraltar, Mr Speaker, I will mercilessly remind him of what businesses would be paying in respect of electricity and water if he had put a foot into Convent Place – other than by invitation of mine, for a few moments, and in a very ring-fenced capacity, Mr Speaker.

Mr Speaker, the hon. Gentleman has given this interview to *Panorama* where he has set out, in some way, what the message that he wants his Budget address to be remembered for. He said, talking about the increase of GDP to debt ratio under the law:

Bermuda did the same thing and is now in huge financial difficulties,

The Hon. Mr Clinton called the Bermudians, 'our cousins', Mr Speaker. Well, Mr Feetham said this:

... wishing that borrowing would have remained at 80% of current income as has been the case on the Rock before the coalition came into office.

400 Mr Speaker, current income is £590 million. Eighty per cent of that is £456 million. Net debt is £350 million. We are well below 80% of current recurrent revenue, with the coalition in power, Mr Speaker.

I gave him a calculator, Mr Speaker, in an act of supreme political generosity two years ago. He needs to use it more often, because you see, Mr Speaker, with income at closer to £450
405 million and net debt at £520 million, in net debt terms, when we took over, the GSD were nowhere near 80%. Even if you went to gross debt at £447 million, Mr Speaker, £456 million is above that. So we are well below, in gross and net debt terms, 80% of current income.

Mr Speaker, the readers of *Panorama* will not be pleased to have seen the attempt to have the wool pulled over their eyes in this way. I am sure they, with their calculators, will be able to
410 do the maths more easily than he has.

But, Mr Speaker:

It is not true that the GSD is advocating austerity measures which would lead Gibraltar into a recession.

I do not know where he gets that from. It is clear that he wants to cut spending and not deliver manifesto commitments. That is austerity, Mr Speaker, full stop. He has been advocating it before Brexit, before the Conservative Party won the 2010 General Election in the United Kingdom and the referendum was even on the cards. He has been advocating austerity since he became Leader of the Party: totally contrary to the position that the former Chief Minister was advocating.

‘We do not have information about the £400 million in Community Care, now in Credit Finance.’ ‘Now, they do not want to tell us more about the £300 million that they borrowed.’ Mr
415 Speaker, the hon. Gentleman needs to understand that he, as Leader of the Party, went to a general election arguing *inter alia* bankruptcy explosions, raising the debt limit to £900 million – or is it that they have forgotten? Their argument in the general election was, ‘We will take the debt up to £900 million and then we will pay it down from there. £900 million: look, I do not see what it is that now makes them concerned, because in the context of the information that we have given them of what Credit Finance does – which we do not have to give them, but we give
420 them – they can see how much Credit Finance is loaning to third parties, which is part of creating income; it is a business. They can see how much it is doing in respect of commutations – and I will deal with more detail in respect of commutations in a moment, answering Mr Clinton. They can see that, Mr Speaker.

They can see what our plans are to reduce debt; they can see what the ratios are. But, Mr
425 Speaker, look, to say in November 2015, ‘We are going to put the public debt of Gibraltar up to £900 million’ and to now say, ‘There is a problem with the borrowing’ is really to be inherently self-contradictory.

Mr Clinton said that he did not want to talk about the past. Well, Mr Speaker, it is really quite
430 incredible that a shadow spokesperson for heritage does not want to talk about the past. (*Laughter*) It really is quite incredible, Mr Speaker, but I am not surprised. I am not surprised that this is happening on the Opposition benches, because he is sitting next to Mr Phillips who said in a fit of pique during Question Time, ‘We are not here to defend anyone’s record. The past is the past’. Well, look, the attitude that history will teach us nothing is very dangerous indeed and it is not one that the community is going to accept being duped into by Members opposite. Of
435 course, what they have disclosed by saying that is that they realise that their political past, the GSD’s political past – for which they will remain answerable in this House, whilst they have Mr Feetham here, Mr Reyes here, who are vestiges of the GSD in Government and therefore answerable for its actions – is littered with so many political problems that they would rather not be referred to it.

Well, look, Mr Speaker, he wants to talk about preserving things today, but he does not want
440 to talk about the GSD’s destruction of the Rosia Tanks. Mr Speaker, I suppose that this is the sort of thing that the Hon. the Leader of the Opposition used to say to me was a ‘Clinton moment’

because he spent much of the last four years saying to me, 'The Hon. the Chief Minister is having a Clinton moment'. Well, Mr Speaker, I suppose this is what he meant. I could not quite work out what it was, Mr Speaker.

Mr Speaker, we have disclosed Credit Finance's balance sheet and we will disclose it monthly. In respect of the £300 million financing, we have disclosed that in a speech by the Chief Minister at the first sitting at Parliament after the transaction was closed. Both of them are things that the law does not require us to disclose, but we are disclosing them. So where is the secrecy and the lack of transparency that hon. Members want to talk about?

What about the things that we found out, Mr Speaker, only after we were elected? What about those? What about the way that the balance sheets were dressed up before 2011? These Micawber principles, Mr Speaker, brought me in mind of that fantastic novel of Dickens and how Micawber used to work alongside Uriah Heep, with his 'cloying humility', his 'insincerity' and snake-like attitude. *(Laughter)* That is the description of the character, Mr Speaker, in the novel. *(Laughter)*

Mr Speaker, all of that was said by the Hon. Mr Clinton in the context – he said – of surpluses getting smaller as we go forward. Mr Speaker, look, he of all people, I thought, understood the Book, but he clearly does not. He of all people could have looked back and seen that this was the third highest surplus in history. To try to denigrate it and to say, 'You still owe this; you still owe that' – I will go through the detail of that in a minute – is absolutely ridiculous, because that happens in every single year and would have extinguished most, if not all, of the GSD's surpluses.

So, Mr Speaker, we have to compare like with like, and the third highest surplus in our history, especially at this moment, is something to crow about, not something to denigrate. I will show him, as well, why it is not dressed up, because we are not in Bermuda: a people who I am warm to, who I respect and who I work with. They have their own issues and they have their own advantages, and we have our own issues and our own advantages, and all comparisons are odious.

Mr Speaker, to get up in this House and to say, 'How can we trust that these budget surpluses are not actually hidden deficits?' 'Are the surpluses real?' 'Do they reflect all Government expenditure?' 'Have payments been slowed down before 31st March?' Mr Speaker, does he think that the job of Chief Minister entails receiving the bills, checking them through, stamping them as correct and saying, 'Pay not before 1st April so that my surplus is dressed up'? Does he really think that? Does he think that the people who work for the Government of Gibraltar, aka, the people who work for Gibraltar, would allow a Chief Minister – this one, or the one before, or the one before the one before, or the one before the one before the one before – to dress up the accounts and to pretend that a deficit is a surplus? That is the worst sort of insult that he knows he can level to people who work with numbers and who do their job so seriously. It is beneath him, Mr Speaker. I am sure that next year, when he comes back to this debate, at last with an element of experience – with one year's experience – in dealing with public finances ... He can have all the experience that he likes as an accountant and as a banker, but he has zero experience of public finance and he will not level that sort of accusation against the people who do such fantastic, hard work for Gibraltar, Mr Speaker – incredible.

Then, Mr Speaker, he wants to put on his hair shirt and talk to us about how we must do less, and there must be less merriment and there must be less spending on frivolities. Well, Mr Speaker, can he send the memo to those who are arguing that we should be spending money on dog parks and on theatres, because it seems to me that they are not really in the same Party. Of all the things that we could be talking about, in the context of Brexit and the challenges our community is facing, the adequacy of dog toilets is not something that I think is top of the agenda – but I will come to that in a few minutes. *(Laughter)*

The hon. Gentleman will say, 'Well, how is the Power Station going to be built? How is it going to be paid for?' Again, the mortal sin of writing ones speech before one hears what is going to be said, because he had already had an explanation in that respect. I guess it is a rookie

495 error in his case. The Hon. the Leader of the Opposition does not have the benefit of being able
to pray in aid the rookie's error, but he does, Mr Speaker, because he is a rookie – a complete
rookie – when it comes to public finances, as he has demonstrated and been at pains to
demonstrate in the way that he addressed this House.

At last the Power Station came up: 'How are we going to deal with it?' Look, he needs to go
500 back and see where we were last year in this debate; the things that were being said in this
House. In fact, Mr Speaker, hon. Members might recall that I had to adjourn the debate of this
House last year. I had to leave here to have a meeting with the directors of Spark in my office. It
was really not the circumstances in which one wanted to be in. We had had repeated,
unexplained power cuts. It is one thing to have a power cut; it is quite another to have an
505 unexplained power cut, Mr Speaker – quite another. I will be as careful as I want to be and not
as careful as you want me to be.

Unexplained power cuts: something that this community had never suffered before and has
not, by the way, ever suffered again once Spark has been out of the equation. I had to adjourn
and go to meet the directors of Spark. One of the professionals who acts for the Government of
510 Gibraltar in this field has said to the Government that we have never in this community, in our
history of power generation, experienced power cuts like the ones that we have experienced
with Spark, which are unexplained. Of course, there have been power cuts before, lengthy ones:
somebody goes through a main cable, you have a power cut, but you know what it is, you fix the
cable. But unexplained power cuts: that had never happened in our history before.

515 I had to go to my office to meet with the directors of Spark. But I want to inform the House,
Mr Speaker, of what happened in the context of that meeting, given that I had to leave the
House to have the meeting. Mr Speaker, I wish I had recorded that meeting, so I could play it
back to hon. Members here. I wish I had recorded it so I could literally press play and let the
people of Gibraltar hear what happened in that meeting.

520 I met with Vladimir Kusch and Damian Carreras at No. 6 Convent Place. I told them that I
could be a very good friend in good times and a very, very bad enemy to have in bad times. I told
them that they had lied to my face about the commissioning of the Lloyds' Register report – they
could have been free to commission whatever report they wanted; it was not a matter for the
Government. It was really quite something to lie to the face of a Chief Minister, especially about
525 something that was becoming so politically relevant and which was at the core of the issues that
were effecting our nation last year.

I told them Mr Carreras, in particular, had sat in my office a week before and told me that he
had not been responsible for the commissioning of the report and that he had not shared it with
the GSD who he had no contact with. I told him, Mr Speaker, that people who lie to my face are
530 people I never trust again – something which I commend to every Member of this House, in the
interest of the people of Gibraltar, because we do very serious business here.

I told them I got up in front of the whole Parliament to suspend the Budget debate –
something that had never happened in the history – to explain to the people of Gibraltar that
the report which had been trafficked by the Opposition as a report which was independent was
535 actually prepared for them, for Spark: one of the parties seeking to have a power station; a
failed bidder in respect of LNG Fuel in Gibraltar and a failed bidder for a power station in
Gibraltar.

I told them, Mr Speaker, I had the Financial Secretary with me, who controls payments; the
Attorney General, who deals with prosecutions; and the people who were in charge of
540 electricity, because I had Manolo Alecio with me, Mr Speaker – that fine man who was in charge
of the GEA as Chief Executive until that time.

I reminded them that section 413 of the Gibraltar Crimes Act makes it an offence, punishable
by five years' imprisonment, to waste or divert electricity – and, by the way, Mr Speaker, I
peppered this with a good element of expletives, as you can imagine.

545 I told them, if it came to my attention in the slightest that any of the power cuts that we had
suffered in Gibraltar over the past four weeks were their responsibility and which had been

brought about intentionally, and if they did not tell me about it, then I would make sure that the Government laid a complaint through the Attorney General to prosecute them to the fullest extent of the law.

550 I said, Mr Speaker, I hoped that they understood that and what that meant. I told them I was looking at them – and Mr Carreras in particular, because he was the one who lied to me. He came to the office of the Chief Minister of Gibraltar – I said to him – and ‘You lied to me, to my face’. Nobody should want to get away with lying to the Chief Minister of Gibraltar, Mr Speaker. Nobody should get away with lying, full stop, but certainly not to the elected representative of
555 the people of Gibraltar.

I told them, if I found out that they had endangered our community and if they had interfered with critical national infrastructure, I would make sure that the Government would be responsible for pursuing them to the full extent of the law.

Hon. Members need to know that if it had not been because the Hon. the Minister with
560 responsibility was particularly careful – with those who advised him at the time who were, as usual, totally responsible – we could have had a power cut during Calentita when a number of thousand people are in Casemates and its environment – with children, with young people, with open fires! But we took care, Mr Speaker, and we put specific generators to power Calentita.

And, lo and behold, Mr Speaker, no sooner had the sun gone down and the dark come, that
565 Casemates lost power from the Spark Plant. They would have endangered, Mr Speaker, hundreds of lives, but we took care to ensure that did not happen.

That is why, Mr Speaker, I was so annoyed on behalf of the people of Gibraltar. I told them that was their last chance to explain the reality of what had happened and that they had better accept that from me, and that I had got confirmation from Lloyds Register of what was
570 happening.

I really wish, Mr Speaker, I had recorded that meeting and was able to play it to the people of Gibraltar.

I told them that they needed to understand, therefore, where we were in respect of that relationship between us and Spark; I wanted them to understand where it was going. I told them
575 I did not want any more electricity from Spark for the people of Gibraltar; I wanted it from Energyst – who are the supplier that provided it – because I no longer trusted them. I told them I would not take £1 million from them if they gave it to me now to maintain that relationship. It was a complete breakdown of trust. It was a relationship that was no longer worth having.

I told them that that breakdown of the relationship between us – which I had expressed to
580 them in trenchant terms with the odd expletive here and there – would be pursued in writing by those Government’s officers or lawyers who were able to pursue it in writing in the appropriate way.

I told them they would never have anything to do with any Government organisation I was involved with, ever – because they needed to understand how I felt, Mr Speaker – and that the
585 people who were responsible for running Gibraltar’s affairs would be in touch with them in respect of the termination of that agreement. Then I told them to get out of my office.

Mr Speaker, since then and since the relationship with Spark was terminated, we have not had any unexplained power cuts in Gibraltar. We have had power cuts: somebody went through a main cable in naval ground which connects north and south, but we knew what it was, Mr
590 Speaker – and so did the poor fellow who went through the cable, as you can imagine – but nothing unexplained.

I am sure, Mr Speaker, that the people of Gibraltar would have felt exactly as I felt in respect of that matter.

Mr Speaker, luckily, we are now in a much happier place. The power station is under
595 construction, Energyst is providing reliable electricity in the context of the period and, if there is a power cut, we know why it is happening and we are able to fix it – although electricity generation is always a complex thing; you can never say it is an exact science and anything could happen at any time.

600 So, the Hon. Mr Clinton, when he raises power and the cost of power in Gibraltar – the Power Station – he needs to put it in context of where we were, not just there but where we were under the GSD, with a power station that was going to cost near £140 million, with a loan that was going to be financed off-balance sheet: that which, to him, seems such an offence and sin. Yet, to the greatest Gibraltarian of all time, their former leader, the man who threw him out of Europort for having the temerity to read the *New People*, the man who when he challenged his reading of the *New People* he had the gumption to walk out on, Mr Speaker – (*Interjection and banging on desks*) because a right riveting read it is. He wanted to do the £140 million off-balance sheet – that was what we were letting ourselves in for – and he supported the GSD in that general election, Mr Speaker.

610 But it was not just a borrowing off-balance sheet, through a Government company; it was a borrowing off-balance sheet with a 5% per annum escalator in the consumers' electricity charge to go up 100% from where we were in 20 years, and 100% increase in the cost of doing business in Gibraltar in terms of your electricity bill; and 100% increase in the cost to every home owner in Gibraltar, Mr Speaker. That is the off-balance sheet transaction that they were planning.

615 That is where we were in respect of power, not where we are today with the £55 million payable over 10 years without the need for a commitment to raise electricity prices from where they are in respect of subsidy, Mr Speaker – which is where they put us.

620 He says that we need bigger rainy day funds than the ones that we have today. Well, look, Mr Speaker, he needs to understand that the rainy day fund today is bigger than the rainy day fund that we inherited. Community Care was at zero; the Savings Bank Reserve was at zero, Mr Speaker; the rainy day fund was not there. We turned up, Mr Speaker, to find, in No. 6 Convent Place, a little piggy that had had a hammer put through it and nothing left, with a memo inside from a very worried Financial Secretary saying, 'The clock is ticking: £28 million left.' That was their rainy day fund. The Hon. the greatest Gibraltarian of all time might as well have left me a note saying, 'Sorry, there is no money left', which at least is what it is reputed one junior Treasury Minister in the last Labour Government did to his successor in the Treasury.

625 But, Mr Speaker, to say that we need a sinking fund to repay debt, etc. and to have missed that we have one is really quite something for somebody who purports to be learned in numbers.

630 I think he was very disappointing, because he just delivered the easy speech, Mr Speaker. He delivered the speech about the hair shirt, about spending less, about austerity: 'I am the one who will save. I am the Scrooge. Look to me in these difficult times.' It was the easy speech, Mr Speaker, and I must say so – because I have known him for many years – that I think he let himself down considerably, especially in the eyes of those in this community who expected him to do a better analysis.

635 Mr Speaker, he asked about the context of the increases in Government rents and how those were related to capital assets. Well, look, Mr Speaker, he needs to understand that minimum wage did not exist in 1984. It was a measure introduced by Mr Bossano: another one of the many prescient things he has done for this community, amongst scholarships, Community Care, etc. – and I will come to that in a minute, Joe will be happy to know.

640 But, the minimum wage, introduced in 1988 by the first GSLP administration: in 1984, with a weekly salary of £126 a week, based on a five-day week and an 8-hour day, the minimum wage was about £3.15 to today's £6.28. That is a 100% increase, let alone the 340% increase in average salaries from £126 to £555.

645 In respect of the people who we are working with in relation to this transaction, I gave him the names: Babson, M&G, for example. M&G is one of the largest financial institutions involved in property financing, in the world. I sometimes see him having lunch with his beige friend, the *Financial Times*, Mr Speaker. Well, look, M&G were on the front page of the *Financial Times* on Wednesday or on Tuesday. Babson is even bigger. It is probably one of the largest property funds in the world, managing approximately £20 billion, if not more.

650 He said, 'You are paying much more than the base rate of the Bank of England of 0.5%. You
have not done a good deal.' Mr Speaker, I think instead of quoting at us Micawber from David
Copperfield, he should have quoted to us from a Tale of Two Cities, because they seem to live in
one and we seem to live in another. They live in the one where we cannot make ends meet and
any day the whole of it is going to crumble, and we live in the one where we are doing careful
655 financial planning, getting the best products in for this community, spreading it over the longest
period of time, which is what he, as a banker, would know is the safest and best thing to do, but
what he, as a politician, is saying is 'mortgaging generations to the future'.

Mr Speaker, that is, he knows, irresponsible, and I would ask him, if he wants to be taken
seriously – as he believes he should be because of his experience – then he needs to act
660 responsibly in the analysis that he does in respect of these issues. Otherwise, Mr Speaker, he is
not going to be favourably characterised as the man who says, 'Bah humbug' in respect of every
spending – another Dickensian character who I mentioned earlier.

He can talk about saving and about not spending unnecessarily and the growth of the public
sector if he moves his chair slightly to his left and sits next to the Hon. Lady, with her, but he
665 cannot sit in the same political grouping that went to a general election promising to undo the
Housing Works Agency Agreement – which had cost millions of pounds in terms of the exit
packages, based on two out/one in – to say that you were going to bring them all back and
spend even more millions there, but say that you are looking at how we save pounds, shillings
and pence. Because you are either saying, 'I did not agree with the Leader and with the Party
670 manifesto' or 'We were saying it for the sake of saying it, for the sake of trying to dupe them into
voting for us, but we had no intention, whatsoever, of delivering it.' It is either one or the other,
Mr Speaker.

It is not unfunny to think of him as Scrooge and to think of the Hon. Leader of the Opposition
running around after Father Christmas, trying to cut his head off – which is what he himself said
675 on Newswatch he felt he was doing. Mr Feetham said, 'I feel like I am the man trying to kill
Father Christmas.' Well, they do not make for a happy Christmas carol, together, Mr Speaker.

Although, Mr Speaker, I must say that his criticisms in respect of the Music Festival were so
politically naive that I thought that he would have better nous, because, of course, I saw Mr
Feetham enjoying it last year. I saw and had, as usual, convivial conversations with Mr
680 Hammond there last year. I think I saw Mr Reyes there last year. Mr Bossino was there with us
last year. But, if there is one thing which is absolutely true – and the Hon. Mr Linares has already
said it – we really do spend most of the time working there rather than doing anything else. I
spend most of my time glad-handing members of international boards of gaming companies and
financial services companies, talking to them about the Rock; dealing with issues; making notes;
685 sending emails, etc; let alone the analysis the Hon. Mr Linares did of how the income for
Gibraltar is generated, what the business plan is like and how we deal with it – and I think some
potentially even more exciting announcements in respect of that going forward, Mr Speaker –
but anyway.

It is so easy to put our hair shirt on, Mr Speaker. I wonder if he would assist me with a nod or
690 shake of his head, but I do recall – of course not on the Government's billet – that I saw him
there last year. *(Interjection by Mr Speaker)* I am sure you did, Mr Speaker – because I did not
invite him, that is for sure. *(Laughter)* But he was there, Mr Speaker.

You see, I just wondered, Mr Speaker, whether he was going against the Festival because he
just does not want to go? The hon. Gentleman and I have known each other for many years and,
695 perhaps, I ungenerously categorise him as the sort of person who would, on Mastermind,
choose as a specialist subject, the operas of Wagner, rather than the Spice Girls and any of the
acts that are coming this year. Although, given that he is the shadow Minister for Heritage,
perhaps instead of Mastermind I should have said How Much Do You know chaired by the
legendary Charles Hunt.

700 It may be, Mr Speaker, that he just does not want to come to the Music Festival, he does not
like the music, but, look, there are other ways of doing that, instead of trying to persuade

everybody not to come, because we have to do a job for Gibraltar. They will be lots of MPs and MEPs there; there will be lots of gaming companies there; lots of insurance companies there, so I think he should reconsider his position. There is a job of work to be done there and I ask him to join us doing that job of work. Because, otherwise, what he is going to demonstrate is that, as we often used to be told by the greatest Gibraltarian of all time, Mr Speaker: that he knows the cost of everything but the value of nothing. Every time we attacked the huge spending that we were seeing from hon. Members, we were told, 'Oh, this lot on the other side, you know the cost of everything, but the value of nothing.'

Mr Speaker, what we are doing is growing Gibraltar and just nitpicking and trying to find issues where there are none is not going to help Gibraltar grow. The hon. Gentleman surely must understand these things. If he were not there and he were here, Mr Speaker, with me, with Joe Bossano, with Albert Mena, with my Ministerial team, he would know – as he knows today, but of course it is not politically expedient to say – that we are doing exactly the right thing. This is how we are building a nation, Mr Speaker.

Mr Speaker, you see, you can be very pennywise and very pound foolish if you are not careful. If he lifts his head from that pennywise and pound-foolish attitude, he will have me as a partner in working together across the floor of the House in issues which are in the interest of the community. But if all he is going to say is, 'What is the exact price of the Panadol that the GHA are purchasing?' he is not, because that is not going to take this community forward.

It is important to understand the price of Panadol; it is important to get Panadol for the best value for the Taxpayer, but there are some very good people who help us with that.

He is not a person who I think is devoid of talent, but I think he has demonstrated that he is devoid of judgement in the way that he has approached this Appropriation debate. He has really taken the attitude of just the bookkeeper, Mr Speaker. I work with many accountants and I work with many bankers and I work with many economists. They are not boring bean counters. Many of them are imaginative and they point to things that can be achieved and how they can be more self-financing. To take the attitude of a junior bookkeeper, Mr Speaker, is not going to assist him in this House and it is not going to assist us to do the job of Government in Opposition that we need to do together.

You see, Mr Speaker, people do not elect bookkeepers; they employ them. People do not need to go to an election to elect a bookkeeper. We need people of vision; people who understand where the community is going; that know how to take that community forward in the context of the public finance available – of course; that know how to save money and not waste money – of course; but it is not a question of electing bookkeepers, Mr Speaker.

You see, if that were the case, Mr Speaker, and if that were what his party stood for, what would he have done as bookkeeper to Peter Caruana's £9 million hole in the ground where the Theatre Royal was? What would he have done? Mr Speaker, as bookkeeper and Minister for Heritage – as I assume he would have been in that Government – I would have thought he would have been completely apoplectic. He destroyed a heritage asset and it cost £9 million for nothing. Those are the labels he carries here: GSD. Those are the labels – forget the Rosia tanks for now – £9 million to destroy a heritage asset like the Theatre Royal.

Or, if he were the junior bookkeeper who was told, 'Here is the project for the new airport: £24 million' and to have the project manager come back with the bill of £84 million. £84 million: a £60 million overspend on one project! How does he feel – as a member of the GSD, who supported the party in the election before and after that debacle – with his bookkeeping view?

Or what about the Leisure Centre? The Leisure Centre cost £9 million just to demolish and prepare walls, Mr Speaker, let alone the additional cost of preparing it – linked to the Midtown, which we will come back to in a minute, because we have had accusations about us selling land, Mr Speaker.

The deal at the Midtown did not go out to tender, by the way. It was just done and the premium was paid by the £10 million of preparation of the Leisure Centre. When are we ever

going to get the £9 million from the Leisure Centre back? Never, but it is a prized asset, an important asset for this community, for families, for leisure.

755 I do not know, Mr Speaker, as bookkeeper for the GSD, how he feels about those things? We will not get anywhere if his attitude is that of a 1970s colonial bookkeeper, Mr Speaker. We will not get anywhere like that. This community has moved on from people who did sums for our colonial masters at the dockyard.

I must say, Mr Speaker, I would have had to go on at greater length in respect of the hon. Gentleman's contribution if it was not for the Hon. Mr Costa's magnificent way of dealing with it.

760 Let me just deal with one particular issue: 'There is very little evidence that you are a transparent Government' he said. Mr Speaker, in the context of the Government's record of which he defended and defends, we are positively see-through. I am going to come to some of the things that we found out when we were elected, Mr Speaker, to demonstrate to him just how see-through we are.

765 The Hon. Mr Clinton has accused us of window dressing, Mr Speaker: window-dressing by curtailing spending before 31st March. Now, if we do not curtail spending, we are spendthrifts; if we curtail spending, we are trying to dress things up or it is austerity. 'You see, they are curtailing spending. It is austerity, which they said they were not going to do.' Mr Speaker, the public can see that it is an obvious silly trap.

770 'Disguised deficits', 'pending bills hanging over', 'has Mr Picardo lost control?' 'He has not a clue' he said. Well, Mr Speaker, doesn't the hon. Gentleman realise that, if I had been doing that, if all of the public officers of Gibraltar who have responsibility for the accounts of Gibraltar were to hock themselves to me and allow me to control them in so perverse a fashion, and if I had done it in the first year and the second year and in the third year and in the fourth year and in the fifth year, where would I be now? I would have had to be retaining five quarters of bills. My payments would be a year and a quarter out.

775 Doesn't he realise, therefore, that it might be, for him, his first Appropriation session of this House; it might be, for him, his first Estimates' Book, but it is our fifth as a Government. If we had been holding bills over, if that was our way of doing things, it would have caught up with us by now. The surpluses would have been affected. Perhaps I might be declaring the third lowest surplus in our history, not the third highest surplus in our history.

780 I could have done the £25 million in another way, but I accepted the advice from the first moment I was elected: to take £25 million out to give to the companies to deal with the issue that we inherited in the companies when we were elected. If I had not taken the £25 million out, I would be declaring the highest surplus in the history of this nation. This is not a disguised deficit, as the hon. Gentleman has purported to suggest.

785 At this careful and difficult time of our history, he comes to this House and, instead of praising the economic performance – which at least the Leader of the Opposition did, through gritted teeth – he says, 'Could this be a disguised deficit?'

790 What signal does he think he is sending the rest of the world about the economic stability of Gibraltar? I think it is obvious, but it is very serious. This is not a dressed-up deficit. This is an understated surplus which, with the £25 million extra, would have been the highest surplus in the history of our nation.

795 In fact, Mr Speaker, I am informed by the Treasury that, prior to the last year end, the Treasury had its usual flurry of payments – not of withheld payments, of payments. This is the argument about whether spending is done in the fourth quarter, which has to be done, or unnecessary spending. They had a flurry of spending, so there was control, but there was the usual flurry of payments that had to be made before the end of the financial year. So it is actually quite the opposite: there is pressure for things to be paid before the end of the financial year, not after the end of the financial year. But then again, there is his inexperience in respect of matters of public finance. He does not understand that, Mr Speaker.

800 I am told, Mr Speaker, that this year they actually, in the Treasury, set a record for payment vouchers processed in the period which was above their monthly target for payments. So, in

805 fact, the payments were not decelerated, payments were accelerated and we are still declared
the third highest surplus in the history of our nation – and without the £25 million, the highest
surplus ever in the history of our nation. So he might care, Mr Speaker, to send the signal to the
world that whether he is GSD or GSLP or Liberal Party, he does not believe that Gibraltar is a
place where the Estimates' Book, where the public finances, are fiddled with in a way that is set
810 to mislead the world and that actually our public finances are sound, Mr Speaker. Because that is
the best message he could send the world today, not the message he purported to send.

Mr Speaker, if any invoice has been held up for payment – and there may be one or two – it
may be because some invoices are challenged. He would not want to us to pay invoices which
are to be challenged if we do not accept an invoice, simply because we should be paying it
815 before the end of the financial year. He should be saying to us, no doubt, 'Of course, if you want
to challenge an invoice, you challenge it in the usual way.'

But I must tell him that in a recent meeting with the executive board of one of the largest
building companies that is building in Gibraltar, which is not a Gibraltarian company, it was put
to me – and it is something of which we should be very proud indeed – that the Government of
820 Gibraltar and the Government of Germany are the only governments that this company deals
with that pay in 30 days, and that everywhere else they find it difficult to get payment in
180 days, even when invoices are accepted. So this community does not have public finances
where deficits may be masqueraded as surpluses – as the hon. Member purported to suggest, to
endanger our economic stability if that analysis were to catch fire. This community has public
825 finances that are able to pay on the nail like only Germany does in respect of the experience of
the board of directors of this particular company: something to be sincerely proud of.

But, if the Financial Secretary or any controlling officer is questioning an invoice, they are
absolutely right to do so and they have my full support in doing so. Anyway, if there are
payments which are going to straddle the financial year; for example, if an invoice comes in late
830 in March, provision is made for it in the accounts in the following year and you can see that, for
example, in the I&DF.

Mr Speaker, I am left with the impression that, in fact, the only thing in the context of the
House's debate on this Bill which is window-dressed was his statement because actually the
numbers demonstrate just how healthy our public finances are.

835 Mr Speaker, we saw earlier in the analysis how the Hon. the Leader of the Opposition has
said that we should be 'pausing and reflecting' – to take my language – in respect of manifesto
commitments; that we should not be 'committing ourselves to deliver', etc; and how others are
saying something different. Well, Mr Speaker, I would have thought one who might putatively,
from the outside at least, be considered to be the top of his team might have got the message
840 right, but Mr Clinton went on to chastise the Hon. Mr Cortes for the failure to finish the
refurbishments at Glacis, Laguna and Moorish Castle – which on Monday they denigrate and on
another day they like. Then to question why the dementia facility, the residential care facility, is
not open; and 'When are we going to do the 1,000 low-cost housing units which are on our
manifesto?' So, which is it? Do you want us to do them? Do you not want us to do them?

845 I really do not understand what side they are on, Mr Speaker, or whether it is, that actually
behind the veil of the GSD there are divisions that one cannot even imagine from the outside,
Mr Speaker. Because certainly they seem to be singing from entirely separate hymn sheets.

The Hon. Mr Clinton then says that we should have a comprehensive debt management plan,
Mr Speaker. It would be very good advice indeed, Mr Speaker, to rationalise our debt and to
850 have a comprehensive debt management plan. Of course, it would be very good advice if it was
not what we already have and if it was not obvious, Mr Speaker. And if it did not suggest, simply
in advising it, that none of the professionals who work with the Government would not already
have in place, with the Government, a comprehensive debt management plan to rationalise
debt.

855 Now, Mr Speaker, he might have thought that, as a GSD supporter, knowing that the GSD got
rid of the Sinking Fund to pay debt. But with an eye to the estimates he should have spotted that

that fund is back, and that we are in the process of rationalising debt and having a comprehensive debt management plan. So I am surprised that he is going to give us advice that is obvious that we are already implementing.

860 Mr Speaker, our job on this side of the House is to govern; to ensure that this community progresses; to ensure that we take this country of ours where it needs to be. There's, Mr Speaker, of course, is to oppose and to question, but it is *not* to throw pebbles and to talk about lack of transparency where there is complete transparency. Where there is, for example, in relation to community care, they have the details; we give them on a monthly basis the numbers, Mr Speaker. We put them online! At the first meeting of this House after we have done the £300 million transaction I have come and talked about it. At the first meeting of this House, where we have done the public power station deal, I have come and talked about it, the £55 million.

870 But what a difference, Mr Speaker, on the question of the £300 million institutional investment in Gibraltar: the approach of Members opposite, with the approach from the market – because in the market, Mr Speaker, all we have had is sincere congratulations for having been able to close such a transaction. It closed in May, the last day of May – to close such a transaction with the Brexit vote looming. That transaction would not happen today! The risk built in to the cost of interest over 30 years would probably be 20 basis points higher now, probably closer to 6%, 5.85%, than 3.85%. That is why if he was not where he is sitting now, if he was where he used to be sitting before he would have picked up the phone, he would have called Albert Mena, he would have called Peter Montegriffo and he would have congratulated them for having done an absolutely excellent deal for the people of Gibraltar. Not mortgaging to future generations, but assuring the future of future generations. Not selling the family silver; *retaining* the family silver.

880 There has to be something wrong, he says, if you can go and borrow £300 million without asking my permission first – that is what he said. It is absolute nonsense, Mr Speaker. He wants to rewrite the Rules of this House. He wants to rewrite the rules of public financing, not just for Gibraltar but for most of Europe. To come here before we do it – look, Mr Speaker, the obligation has always been, in relation to Government financing, to lay on the table after it is done. This is not Government financing; this is Government company financing. There is no obligation. And yet he gets the information, which he has scribbled down dutifully I see – he has even scribbled down the dates on which I told him it had completed, Mr Speaker. He has got the information. So what is he complaining about?

890 He is pretending – as they will spend the next three and a half years – pretending and complaining that there is a lack of transparency, where there is absolute clarity, Mr Speaker, absolute clarity.

895 All of that: the context of the £300 million, the context of the £55 million for the power station, all of that has been brought to the House in the context that I have illustrated at the first meeting of the House after the transactions have completed, Mr Speaker. Is that what they would have done, I ask myself? Of course, the Hon. Mr Clinton does not want to talk about history. Of course Mr Phillips does not want to defend anybody's record, because that is what they did *not* do when they were in Government.

900 We were not told about the deal to mortgage all of the car parks. We were not told about the deal to give 1% of the £1 billion transaction to a particular company that was close to the former administration, in breach of European Union rules. In fact, we were not even told that there was advice that it was in breach of European Union rules. We knew because I had raised in the House that it was. And the Hon. the former Chief Minister did not want to answer.

905 But he asked us, 'why weren't we told that the estates were being sunk into companies?' He suggested that we should have come to the House and defended that and explained to the House why Government estates were being put into companies and at what price had they been put into companies. He wanted to know, had they gone in at nil value?

Mr Speaker, the Government estates have been put into companies at nil value by the GSD, not by us, and we know not because we were told in this House, but because we found out after we were elected, so I can understand why Mr Clinton does not want to defend Mr Feetham's record in Government, why Mr Phillips does not want to defend Mr Reyes's record in Government, because their record in Government is of having done all the things that he condemned during the course of his speech. Having put Government estates into companies, at nil value, without the permission of the House and without informing the House, so neither before it was done to seek consent, neither after to seek to inform. So, Mr Speaker, I hope he knows a little more of what his party was up to and of the initials that he currently defends in this House actually represent.

If he wants to make the points that he is making, shuffle up a little to the left, abandon the initials that represent everything that I have just gone through and stand for the things that he is pretending to stand for. Then, Mr Speaker, when he says that looking at the Bank of England base rate and looking at the 3.85%, nobody can say that the 3.85% is the best rate going, that *really is beneath him*, and he knows exactly why it is, Mr Speaker. Of all the shots he took, that is the cheapest shot he took. He knows it was a cheap shot, he knows it is absurd.

And, Mr Speaker, the hon. gentleman is a chartered accountant. He is a banker with many years' experience. He led one of the top banks in Gibraltar. He knows, Mr Speaker, that the overnight lending rate of the Bank of England is not the lending rate available for 30 years. But if he does not know that, Mr Speaker, and with the Bank of England rate at 0.5% today, as it was when they were last in administration, he needs to explain to me how 3.85 is not a good deal, when all *they* got when they mortgaged the car parks and the Bank of England rate was exactly the same as it is today, 0.5%, they got 7%. **(A Member: Shocking!)**

Well, Mr Speaker, and to think that Mr Feetham calls him 'El Guru!' *(Laughter)* I think I have been unfortunately able to demonstrate that he has gone from high financier to an effective colonial bookkeeper in an hour analysis! *(Laughter)*

And I am not going to give him, Mr Speaker, every balance sheet of every management account of every payment that the Government does at the end of every month, because we are not here to give the management accounts of the Government. No company does that. Mr Speaker, the shareholders in Gibraltar plc, who all of us represent, would not want to see the management accounts of this company, and if we were a company they would not be entitled to see the management account of the company. But nonetheless, we are going to give them a million times more information than they ever gave us when we were in opposition.

Mr Speaker, in respect of Credit Finance, which we have used to invest in Gibraltar, do they not understand when he is criticising the commutations – because he criticised Credit Finance and commutations are part of Credit Finance ...? Do they not understand, Mr Speaker, that the hon. gentleman to my left – and the hon. gentleman to my left is always on the left, he does not change – has created in Credit Finance in respect of the commutations one of the most ingenious and positive things that could have happened to this community?

When the Hon. the former Chief Minister was here he used to say one of the biggest problems that we have in Gibraltar is the pension scheme of the Civil Service. After 16 years in Government, the last thing he did was end it, and there was an element of controversy as whether it should also end for hon. Members opposite, the final salary scheme. But in Credit Finance the Hon. Mr Bossano, through the payment of commutations, has given people what they want in commutation of their pensions, on the formula, I think, of 12. You have seen the documentation.

But, of course, what has he done? Because the Government keeps paying the pension. He has created a new kitty, a new Sinking Fund, because Credit Finance keeps getting that money. But hon. Members opposite just do not understand it. They do not see the ingenuity. They do not see the benefit. I think, from the debate we had, that the Hon. Mr Caruana did see it by the end, absolutely understood it, Mr Speaker. And if they care to please be careful and analyse

things in a way that is appropriate, they too would understand it and understand just how good it is in the context of open-ended final salary schemes and increased life expectancy.

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People can now live 30, 40, 50 years on their Government pension, and yet everybody is very happy to take their commutations, or a large number of them are very happy to take their commutations, invest it for themselves, have control of their own destiny. That gets rid of a huge problem.

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If he is going to tweet instead of listening to me, I will not bother to explain it him, Mr Speaker, because this is really important!

But that gets rid of a huge problem for the Exchequer in a way that is ingenious and creates a long-term benefit for Gibraltar, both for the person taking the commutation and for the Government of Gibraltar. And just for that, Joe Bossano deserves huge recognition except that there is so much more that that brilliant idea, which deals with such a growing problem, would probably be a footnote compared to everything else that we say about him going forward, which is even more deserving of praise.

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Mr Speaker, the fact that Credit Finance has given loans is a very good thing too, because Credit Finance is managing the money in the Savings Bank and we have to pay interest to the depositors in the Savings Bank because not Isola, Licudi, Balban, Bossano, Picardo, Garcia, Costa, Sacramento, Cortes and Linares chose to do so. Because the GSD in 2008, when the Bank of England rate came down said we will pay 5% to our pensioners and lower amounts to others so that we insulate this community from the big problem that there is in the context of saving and income from savings. We would give 5% to our pensioners, which we have honoured, we have lowered the other rates, but we have honoured that.

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Does the hon. gentleman know how that was paid before? I did a very careful analysis of this in my budget speech last year, so he should look at it because I did all the ratios; but it was paid *out of Taxpayers' money*. The Taxpayer literally put his hand in his pocket. You give me £10; I, the Taxpayer, will give you the interest on it, on a Government bond, which we transferred to the Savings Bank. The Taxpayer was paying for that 5% in effect as the cost of borrowing from pensioners on Government bonds.

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The Savings Bank, where we have transferred the product, is going out and trying to make the money work to pay the interest rate. So we always charge more than we pay so that the money works for us. Now, this is an area where he does have experience, this is banking.

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When the concept of banking is born, when the Medicis and the Rothschilds start the business, they do not take money for people and put it in a safe. They take money from Peter to lend to Paul at a fee. Look, there can be moral issues with this, it is called 'usury' as well, but it is modern banking! *(Laughter)* And what we are doing in that way is guaranteeing further the future of our pensioners, because we are making a turn on the money, ensuring we can pay them, and if we ever have to put our hands in our pockets that is what the Savings Bank Act says we have to do. But they put their hands in their pockets every month to pay the interest. The Taxpayer was paying the interest every month, Mr Speaker. So look, as a banker unless he did not just leave the profession, he also decided to turn his back on its principles, he must be telling us that we are doing the right thing.

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No financial institution would ever take £100 from somebody, put them in a safe, and from its own resources pay them 5% interest. It would take the money, put it to work and use that to pay the interest. And in terms of Credit Finance, that is what Credit Finance is doing with £70 million. He will see from the breakdown. Loans, Credit Finance loans and then the other amount is the commutations. And if the money is going or part of the money is going into what is happening with Gibraltar Investment Holdings, he says, why are we not seeing these accounts? Well, Mr Speaker, look, I recognise that we have not yet filed the accounts but he cannot pretend not to understand why.

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When they were in Government, the party that he currently sits with was in Government, the initials that he currently defends were in Government, they stopped filing the accounts! They stopped filing them.

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Now we need to rebuild those accounts, because you have to go back. The hon. gentleman will know if you are doing this year's accounts, it is not difficult. But if you are having to go back, you cannot do this year's accounts if you have not done the accounts 10 years ago, because it is a cumulative process.

1015 Anyway, Mr Speaker, I hope that this has resolved some of his concerns, but he might care to look at what Sajid Javid has said this week, also on page 2 of his beige friend, where he has asked for the United Kingdom to have a fund of between £100 billion and £150 billion to 'grow Britain' in the period of instability in respect of Brexit, and he might better understand, Mr Speaker, why it was absolutely right to ensure that we were able to have investments in Gibraltar looking
1020 forward.

On tax refunds, Mr Speaker, the position is extraordinarily clear. These are not refunds that the Government is holding back in any way, and in fact the Head – and this applies to the question the hon. lady raised – has not been there before. There has been money for payment but we have added a Head and we have added the largest amount ever given to that Head to
1025 repay. But it is not true to say that people at the Income Tax Office want to repay this money and the Government does not give them enough to repay. This requires a lot of work to do, Mr Speaker, and that process is being undergone. And it is not a question of window dressing. As I said on GBC, I do not want to keep anybody's money, I would quite happily give it back, as soon as we are able to in a proper and rational way in keeping with the advice that we have from the
1030 Tax Office, Mr Speaker. But we are in a much better position than we were, when the opposite was true, which Members opposite surely will also not defend. When the taxpayers you owed a much larger amount.

And so, Mr Speaker, frankly to have started in the process of saying that this was window dressing I think was really to suggest that we were trying to hide the truth of our accounts, and that is a *much deprecated* allegation that he made.
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In the context of the company accounts, the hon. gentleman will allow me to say that even if they do not want to go back and look at history, even if they do not want to go back and learn the lessons of history, we are not going to allow them to go away from the reality of what they did when they were in Government, because the general public does want to learn from history.
1040 The general public does want to understand what the GSD stands for. And the general public will want to look at what the GSD says in opposition versus what it does in Government.

Mr Speaker, those of us who have memories like elephants remember that in 1996 the GSD was elected on the ticket of getting away from Government companies and doing what they called 'the web', publishing all the accounts of the Government companies and when they were
1045 elected, Mr Speaker they made the web of companies bigger than it ever has been before. The companies started to trade, which they had never done before, they just held assets and they failed to publish the account of the companies. So if they do not want to look back at history, Mr Speaker, we will ensure that the people of Gibraltar realise that the GSD says one thing in opposition and then promptly goes and does the complete opposite in Government, Mr
1050 Speaker.

And whilst he sits with the GSD, that is the record with which his contributions will be infected and with the spectacle through which we will see every contribution that he makes.

Mr Speaker, the Hon. Mr Hammond started by saying that parking had never recovered from the loss of parking at Commonwealth Park. Well, Mr Speaker, the ugly pharaonic project costing
1055 £15 million, as he described the magnificent new Midtown coach and car park does not provide 355 spaces, as the hon. gentleman well knows. But that is what he said, he said we would never recover from the loss of Commonwealth Park, although the park is lovely and Mr Figueras who used to sit there used to say exactly the same thing – 'I am against the park, but I am in favour of the park because people love the park so I do not want to be the person who is against the park.
1060 I love the park, but I wish I could park there.'

Look, Mr Speaker, despite that nonsense which he has tried to perpetuate, because you are either in favour of the park or you are against the park, the idea that parking has never

recovered from the loss of Commonwealth Park's 355 spaces lost, might have been something he could have written when he started to think about what he was going to say the morning after he was elected in November. But it was something he should have struck out of his book before he came to the House this week. Not something we could have an argument about where one of us may be right and one of us may be wrong, Mr Speaker.

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On this I am going to be claiming to be speaking from what was St Peter's chair, because the answer is empirical. I am going to take him through it – does he have a pencil, Mr Speaker? There were 342 spaces in the place known as Commonwealth Park now. There were 233 spaces at the little car park at Naval Ground, on the southern side of Naval Ground. There were 47 places at Wellington Front and there were 369 places at the Regal House Meccano car park – that much criticised car park that the GSD insisted they were going to demolish their first day after the 1996 election, and which we demolished last year. Another thing to put in your list of things the GSD say versus the things the GSD do.

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Did he get those numbers? I am assuming that he did. It is 991. Can I just remind him, Mr Speaker, that of those 991, in a deal that never saw the light of day, in an annexation of land which was never put to tender or to expressions of interest, which was the Midtown deal, Gibraltar would have lost the 369 car parking spaces at the Meccano car park – 991 minus 369, 622. We would have lost additionally the 45 at Wellington Front, because the GSD project at Wellington Front also included no parking – 622 minus 47, 575. And we would have lost the 233 at the Naval Ground as well, as part of the secret Midtown deal which was not advertised and involved an annexation of land, which was not put to tender – 575 minus 233, 342.

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So, Gibraltar would have been left, under the GSD, with 342 parking spaces because Midtown would have parking but it was going to be private paid parking. I do not know whether he has understood what I have told him, Mr Speaker, but if he goes backwards, what I have done is I have demonstrated to him that the 342 spaces at Commonwealth Park, where Commonwealth Park happily now is, are all the parking spaces that were going to be left.

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Now, does he know how many parking spaces there are at the magnificent Midtown coach and car park? 1,041, Mr Speaker, of which 715 are totally free for residents of Gibraltar. In political terms it does not get worse than to have attempted to make the calculation that the hon. gentleman attempted to make. Because he said that we had never recovered from the loss of 355 car parking spaces. I am not including there the car parking spaces at Coaling Island that we now have, which we recovered. I am not including there the number of parking spaces that were at the King's Wharf, Mr Speaker, because that is now going back into private hands. We were using it whilst we were building the Midtown. And those 715 may be fewer because there is huge pressure – I do not know whether he is on the list – but people want us to sell them more of the parkings and rent some of those parkings for the people who live in the area of Edinburgh House – who of course were the people who were having to fight for parking spaces around. The people who the GSD would have left with 342 parking spaces.

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So, Mr Speaker, everything else that he says, which is empirical, in particular in relation to something as complex as particulate matter, has to be seen in the context of the way that he has failed to do his maths on car parking spaces. It was an easy one, I do not know why he did it.

But the one thing I am not going to do with him, Mr Speaker, is to try and establish bus routes in the Parliament, Mr Speaker. I think this Parliament needs to be looking at other things in greater detail than establishing bus routes for Gibraltar.

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What I will not accept, Mr Speaker, is any suggestion from him that the Government is playing fast and loose with public money. That is one of the most serious allegations levelled across the floor of this House, Mr Speaker: fast and loose with public money. I do not know whether the hon. gentleman opens his mouth and says things he does not know the meaning of, but if he does, Mr Speaker, that is a very serious allegation indeed.

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Because if anybody was paying fast and loose with public money, it was the party, the initials of which he currently represents in this House, that did a deal to give somebody 1% of a £1 billion transaction, without going to tender, without going to expressions of interest. It is a

1115 Government, Mr Speaker, that he defends the record of in this House, that alienated the whole of the Naval Ground, without going to expressions of interest, without going to tender in respect of the Midtown. *That* is playing fast and loose with public money. Breaching EU rules, Mr Speaker, and having legal advice that *told* them they were breaching EU rules. That is absolutely a disgraceful playing fast and loose with public money.

1120 Not, Mr Speaker, selling buses that you can only sell to people with a specific type of licence for the maximum that you can sell. Or is it that he thinks that we did not want to make more money from those buses? Was it that he did not hear or read the press releases that the Hon. Mr Balban had cause to issue at the time that he raised it, or is it just that he wants to play politics, say things that sound bad and hope that some people believe them? If he does, Mr Speaker, he will find that the voters in Gibraltar are such astute analysts of what their politicians say to them, that he is going to be toast sooner than he thought.

1125 To accuse those who were involved in the development of the Midtown parking of ‘poor project execution’ really hits a new low. It hits a new low in respect of the magnificent work done for this community by Gibraltar Joinery and Building Services (GJBS) – a company that the person sitting next to him tries to praise once in a while, a company that the former Chief Minister went, during the course of a general election campaign, in breach of every rule in the book and gave a 16% pay rise, in the middle of an election campaign, because they are so good. Yet, now the GSD has said, by the mouth of Trevor Hammond, they are responsible for poor project execution. I will make sure that the directors of GJBS understand what his view of their ability to deliver a project is.

1130 But, of course, they did not work alone, Mr Speaker. They worked, also, with the group that was involved in developing the Midtown; that was involved in delivering King’s Warf; the group to which the GSD granted Coaling Island – also outside of a tender process as a swap for King’s Warf; the group, Mr Speaker, whose project execution the GSD and therefore he thought was so magnificent that they gave them, without procurement, a 1% deal on a £1 billion transaction – a £1 billion transaction! And he says that group are responsible for ‘poor project execution’. My goodness, that is playing fast and loose with public money when they were in Government or fast and loose with people’s reputations today and not caring what he says about people’s professional reputations or fast and loose with his own reputation because nobody, I think, will be able to recover from having said something as magnificently irresponsible as that.

1140 When he accuses us of a ‘piecemeal’ attitude to resurfacing, I must say that I am shocked that he has once again not bothered to go and look at the numbers, because, Mr Speaker, if hon. Members care to do their homework with all the publicly available information that there is in the library of Parliament here, they would be able to see how much has been spent on highway maintenance and resurfacing in every year at least going back to 1995, 1996.

1150 Our ‘piecemeal’ approach to resurfacing has produced £5.3 million of investment in the past four years, not including this one. The former administration spent £5.2 million – less money – in the four years before, and £3.3 million in the four years before. It is about one point something million each year, except, of course, for the years in which the least money ever was spent in resurfacing: 1997-98, when they spent only £31,000; 2004-05, when they spent £308,000 or 2005-06, when they spent £468,000.

1155 Mr Speaker, the people of Gibraltar are paying him £34,000 a year not to come here and say what he likes, but to do his work; to research and to not make allegations which are completely unsustainable; to at least get out his abacus and count how many parkings there are; to realise that he cannot make allegations that less is being invested now because less was invested when they were there; and to understand whose reputation he is shredding with the allegations that he is making, because in the end it is his own.

1160 The idea, Mr Speaker, that we are creating a concrete jungle in Gibraltar because of the way that Queensway is developing is also quite fantastical. Doesn’t he remember that the development of the area at Eurotowers was approved under them and that we had people – children – approaching us in tears because they were going to lose their carpark? Doesn’t he

remember that Midtown – which I have now reminded him of – was actually much higher? It was like a needle in the centre of town, and it was granted in secret to a consortium, without tender, without expressions of interest, and planning permission was given by a secretive DPC that nobody got a look into. Doesn't he remember that the same is true in respect of King's Wharf?

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Doesn't he therefore realise that the concrete jungle that is Queensway was one that they created and that we modified because we brought the heights down? In the context of our negotiation, we took away a third of the land that Midtown had, and we required that the next King's Warf tower be lower.

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Shouldn't he therefore stop trying to mislead people in the way that he has done? Because, Mr Speaker, to pretend that Rooke is the last large plot available in Gibraltar for development and ignore that the largest plot available in Gibraltar for development was Naval Ground ... We at least went out to expressions of interest. We have said to the community what we are going to do. We are negotiating with them. It will have to go to an open DPC. Yet, they gifted Midtown, without expressions of interest, without tender, and now they complain about what is going there, which is lower than what was there when they approved it.

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Mr Speaker, this is 'Carry On Opposition'. *(Laughter)* I am surprised that Sid James does not come in now and sit alongside them – perhaps Barbara Windsor would be a better sight!

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This is not about coming in and criticising and stifling every plan. This is about doing a careful analysis. You do not come in here and say, 'There is less parking than there ever was' because there is a pond and grass where you used to park, you do the calculation. It is all public. Disgraceful, Mr Speaker!

Didn't he hear me say, Mr Speaker, that we have to build more in this House; we have to build more in Gibraltar? We have to build more because one of the big issues now is whether people will be able to house their employees: the gaming company employees, the insurance company employees. I am going to be introducing a measure at the end of my address today, Mr Speaker, to deal with those issues, because the House will be very happy to know that I have had more detailed discussions even since I presented the Appropriation Bill in the First Reading. I am now minded to bring to this House, for approval, a new measure, Mr Speaker, that will be even more advantageous for the growth of Gibraltar and to ensure that the gaming and insurance companies we have here are entirely satisfied that their needs will be catered for.

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Mr Speaker, in that context, to have heard the hon. Gentleman say that the Hon. the Minister for the Environment has, in effect, done nothing, because his Government has done nothing and he is just relying on reports from GOHNS. Again, if he had done his homework, he would have realised that those GOHNS' reports were completed before 2011 – when we were elected – and that the Hon. the Minister was the author of them. *(Laughter)* His dreadful accusation, therefore, is that John Cortes is relying on his own work. *(Banging on desks)*

1200

Then he says there is no provision in the Improvement and Development Fund for the Power Station or the Sewage Plant, but I had given a speech before saying how we were going to fund the Sewage Plant and I had given the speech explaining how much we were going to spend from the I&DF in respect of preparation of infrastructure for the Power Station. So, when he talks about air quality and I have to choose between his analysis or the analysis of John Cortes which comes down to interpreting data, given the way that I have demonstrated he is incapable of interpreting even numbers of car parking spaces, on something as important as this particular matter I am going to side with Mr Environment, John Cortes. I am not going to think he is an abject failure for not having been the one who issued the press release on the balloons, because his position has been clear throughout and he has been one of the forces for good in that respect.

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Neither do I think that John Cortes is ever 'lost in a sweetshop', because you just have to look at him to know he knows exactly what he is going to eat *(Interjection)* and he ensures that he takes a good portion of it, and I wish I was there with him but I am not allowed any more, Mr Speaker. *(Laughter)*

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1220 Just because we have not finished the most complex re-engineering of Gibraltar's traffic does
not mean that we have not started and that we have not had the courage to be the ones who
started doing that work. Just because we have not kept the most expensive cadre of highways
enforcement officers that the GSD created does not mean that we are not committed to this –
and watch this space, Mr Speaker. Just because residential parking has not happened yet does
not mean it is not going to, but you do not implement one thing unless you are implementing
1225 the whole of the holistic plan, which is what we are doing now.

Mr Speaker, given the analysis that I have done of a number of parking spaces at the
Midtown, I think people in the town area and people driving into the town area and the
Strategic Plan will all benefit hugely from the car park that he denigrates. Because he knows it is
an absolutely magnificent thing and he has nothing to say about it other than he does not like
1230 the look of it, Mr Speaker.

In respect of speed cameras, etc., that is something that is going to happen very quickly.
There needs to be an amendment to the Traffic Act. It will be happening as soon as possible and
in the Autumn, no doubt, we will have that. But to hear him then say that because we do not yet
have the speed cameras, we have little regard for public safety – words that rolled off the
1235 tongue, because that was what he spent most of the first six months before the election saying,
although he no longer has the gumption to say it about LNG and Shell – it is really quite
something because I seem to recall that we were the ones who had to get rid of the *quita multas*
helmets; we were the ones who had to enforce legislation for the right helmets to be used, not
the GSD who were obviously in a position of little regard for public safety, Mr Speaker.

1240 So, when another member of the GSD says that what he is going to say is not designed to
'score politic points', I am going to be forgiven for at least being sceptical. The hon. Gentleman
knows I was unable to be in the House for his address, but I was able to hear most of it and I
have been able to read most of it. I am grateful that he sent a copy to the press. If he deviated
from the text and I was not listening at a particular time, I may have got a thing wrong.

1245 He says that, 'some commentators' described the Future Job Strategy as a Soviet-style
employment system. (*Laughter*) Now, although, of course, Mr Bossano would think that is a very
good thing, Mr Speaker, (*Laughter and banging on desks*) he was not saying it in that vein. He
was trying to pretend that was actually a very bad thing. But I am not going to let him get away
with saying that 'some commentators describe the Future Job Strategy as a Soviet-style
1250 employment system'. Now, I do not know whether he knows who the commentator was,
because I do. You see, Mr Speaker, those with memories like elephants recall that he was not in
the GSD at the time, that he was in the PDP at the time, that his Leader was then the highly
esteemed Mr Keith Azopardi, now the Chairman of the Bar, and that he was very deprecating
indeed about the man who is now his Leader, Mr Feetham. But, of course, it was the man who is
1255 now his Leader – at least in name – Mr Feetham, who said in the press conference – which they
hastily convened to try and undo what was clearly another brilliant suggestion from Joe Bossano
– that this was a Soviet-style employment system – or maybe it was in a debate, Mr Speaker.

It is absolutely misleading of this House to come here and to say that some 'commentators'
describe the FJS as a Soviet-style employment system. You can say, 'Look, we, as your political
1260 opponents have described it that way.' 'We' because you are now together – before you were
not; you could not stand the sight of each other, politically – but it is not some independent ...
This is not Daniel Finkelstein in *The Times* who has brought an independent mind to the analysis
– come on! Mr Speaker, maybe he can share with us – in one of his sponsored Facebook
messages that must cost him a bomb to try and get somewhere near the top of people's
1265 readings lists – who he thinks the commentator was.

Mr Speaker, that sort of 'I am here; I am there' and a stab here and a stab there, that sort of
thing has not stood people well in the past couple of weeks in English politics. He needs to be
careful to be pretending to say one thing when in fact it is another.

1270 Anyway, how does he explain to people who are now happily in jobs, who were not in jobs
when the GSD was in Government; who have gone from the Future Job Strategy start into full-

1275 time employment in the private sector, how does he explain to them that he, even now, is against the Strategy that got them to work? If he was dying to make this speech in 2011; if he had been elected into Opposition with us in Government and he wanted to hammer the FJS, I would have understood it. The FJS has had five successful years of operation now. These guys work in the private sector, Mr Speaker. How does he explain this? This is nonsense, Mr Speaker; absolutely nonsense.

1280 In fact, this is an impressive plan which created employment opportunities and which created opportunities in companies in the private sector. The sort of thing he keeps talking about but which we never see because, if he is genuine about not wanting to score political points and working with us and if people in companies have approached him to create impressive opportunities, why is it they do not approach us? Why is it that he cannot tell us who they are so that we can take up those impressive opportunities? If there are people who are unemployed today who could take advantage of those opportunities – and there not many unemployed today – shouldn't he want to help them? Or is he saying to them, 'Wait three and a half years. I think we will win the election and then maybe you can get a job'. Frankly, that would not be a duty of a loyal Opposition. More likely, Mr Speaker, it is just nonsense and double speak. It is just, 'What shall I put in my speech?'

1290 Of course, one of the things one can always put in one's speech is a little bit of *peloteo* to the Attorney General and to the Chief Justice. It stands one in huge good stead if one is in the profession, I imagine. I could not come away from the thought that the sycophancy that I saw in that speech was really quite dramatic; I never quite heard anything like that. Although Mr Dudley and Mr Llamas deserved all the praise that he heaped on them, it was really quite something to see how it was being heaped on. I just wonder, Mr Speaker, what it is that the hon. Gentleman has pending in court at the moment? (*Laughter*)

1295 Mr Speaker, he encourages us to have the political courage to raise rents *even* more. He seems to want to see people pay more and be means-tested. But does he not know that there is already a means test, by the way? In all of this talk of means-testing, does he not know that we have something called 'Rent Relief', that the most deserving in our community already get; that the elderly in our community who deserve it get; and those who cannot pay their rents already get. We do have a means test already, to stop those who cannot pay.

1300 Look, he encourages us to put rents up higher. We have said it is going to be going up annually; it is something that has got to happen. We think that we can do it in the way that is as demonstrably not going to affect people's ability to pay as what we are doing now.

1305 At the same time we are tackling arrears, because everybody should pay and those who have not paid must pay and they must pay current rent too. The hon. Lady is doing an absolutely magnificent job in that respect, if I may say so. A rent hike which is, for example, the equivalent of having to give up your *Panorama* – something which I recommend people never do, and that they should pay their additional rent *and* buy their *Panorama* – to be able to read the dross that the Hon. the Leader of the Opposition has tried to get past the journalists, who will no doubt be able to point out that he is not going to have the wool pulled over the people of Gibraltar. It is a good measure by which to demonstrate that rents are going up, but not in an unaffordable way.

1310 As I said before, Mr Speaker, the first thing I do every morning is read my *Panorama* so I certainly would not alienate my purchase of that magnificent newspaper because of the rent hike.

1315 Mr Speaker, the Hon. Mr Llamas said, in a much more affable tone, that he was not here to answer questions for those who had been here before; he was not here to shoulder their burden and that we are not reminded of the history of our Party. (*Laughter*) Well, Mr Speaker, he must have taken tea breaks at all the appropriate moments in the short time that he has been here or not ever listened to Parliament before he was here.

1320 Mr Speaker, I will take at least the affability of his tone and try and return it in this way: all of us care about people with disabilities – all of us. I am not going to pretend that people care more or care less because I do not think there is a Member in this House who does not care about

1325 people with disabilities, but the hon. Lady has done a magnificent job in that respect. She has really reinvented the Department. She has brought to it her usual vigour. People are very happy indeed with how things are going. People want more; she wants to give more. We have to make sure that we do more in the appropriate way. But, when the hon. Gentleman says, 'This should have been done 10 years ago', Mr Speaker, for six of those 10 years, it was them that were in Government. It was Mr Netto who he is criticising.

1330 He says he has not got to shoulder the responsibility. Look, I tell him what I tell Mr Clinton; what I tell Mr Phillips; what I tell Mr Hammond and what I will tell him: whilst he sits with the GSD, he is infected with the things that they did; whilst he sits, in particular, with Mr Feetham and Mr Reyes, he is infected by the fact that they were part of the Government that did all the things that I am telling them and did not do some of the things which he says they should do. I will accept from him that he must have been able to do the calculation that 10 years puts him
1335 firmly in GSD territory and that he was therefore being entirely non-partisan, entirely straight with the community, accepting a criticism of his own side and asking and encouraging us to proceed. But, the hon. Lady – he can be assured – is the strongest advocate of those with disabilities in a Government that is already very caring and wants to ensure, not just that we give to people, but that we encourage people to do more. This is not just about handouts; this is
1340 about mechanisms for people to be able to do more than that.

The very ungenerous reference to 'sour lemons' in his introduction is one which really was beneath the affability of his tone, because even those who for reasons of wanting to illustrate a point suggesting that the Hon. Minister should have sour lemons, said that in every year that she has been elected, she would have had punnets of strawberries for the work that they had done.
1345 I think, if only they had stopped to talk to us about some of the work that is coming, they would have, once again, visited upon her punnets of strawberries, because in the context of that analysis, Mr Speaker, for Samantha Sacramento it really should be strawberry fields forever.

But he said, Mr Speaker, in the context of looking at care, that we should not have people from agencies involved. Well, I have asked for the statistics so that he understands it. We have
1350 332 people from agencies. This is a number that fluctuates: on some days we have more, on some days we have less. The requirement changes: we need people to leave hospital, so we give them care for a couple weeks; that care is extended domiciliary-wise or not extended. But, Mr Speaker, 332 people from agencies.

Let us just do a very simple calculation. If we were employing these people in the public sector, as he has suggest that we do, for the money that we pay, we could afford about 100. So
1355 he is denying 230 people care, because that is what it means.

People who come through agencies are employed on agency terms and they are paid private sector rates. We are very comfortable with that. We have put the minimum wage up considerably since we were elected. I think the minimum wage has gone up something like 15%
1360 in the past four years. But, if we do not do it that way and if we do what the GSD is proposing now, for the money that we have – which they already say is more than we should have spent on everything – we would be able to pay for 100 instead of 332. That is not an accurate calculation; it might be 150, it might be 90. A public sector worker costs us about three times what an agency worker costs us. So, if you want to spend less, you cannot do it, Mr Speaker, and
1365 the problem is you are dealing with people's care here and people would lose their care.

And, of course, he did not get the memo from the hon. Gentleman saying, 'I am going to be complaining that they employ too many people in the public sector.' Because he has just proposed to me that I should either employ more than 332 or at least 100, depending on how he
1370 wants to do the analysis once I have done it. Mr Speaker, of course, these are additional to the people employed in the public sector. So, you have got all the people employed in the public sector – who are in all of the areas where we provide care – and an additional 332, because we can afford them, because we can pay for them in this way.

Mr Speaker, Project Search was not mentioned in my speech because it is in the Book and we will be dealing with it and making an announcement when the time comes.

1375 With issues like the Care Quality Commission, for example: look, that is creating a new public
body, at a new cost, which involves employing more people and spending more money. I think if
he goes to his pigeonhole at GSD HQ, he is going to find a memo from the Leader of the
Opposition saying, 'Do not suggest employing more people; do not suggest spending more
1380 money, because I am going to say they should not deliver on their manifesto commitments and
that they are spending too much and they are employing too many people.' Otherwise, it is all so
inherently contradictory that nobody knows what it is that they stand for. *(Phone rings)*
(Interjection) Yes, that is the one! *(Laughter)*

But if he felt so passionately about the Care Quality Commission, in the same way that he
said to me, 'You did not mention Project Search but it is in the Book' I will say back to him, you
1385 are talking about the Care Quality Commission, it is on your manifesto.

Although, I am grateful, Mr Speaker, that he recognised the good work that has been done in
respect of fostering and adoption, which is important work that is being done in this community,
which has been promoted by the hon. Lady and which I fully support and encourage.

But, when it comes to IVF, Mr Speaker, this really was a thing of this Government; it is
1390 something that was denied by the former administration. It was brought in by the Hon. Minister
for Health. I do not know whether he meant to recognise that but, if he did, I am very grateful
that he did. When the hon. Members have said, in campaigning mode, that 'the new dawn never
happened', I am very, very proud indeed to say, Mr Speaker, that the new dawn did happen,
because I have met the new dawn. She has got a name; she has got a surname; and she is
1395 running around Main Street now because John Cortes introduced IVF – and she is not the only
one; she was just the first one. There are very many more, Mr Speaker.

When it comes to bed shortages in the hospital that lead to cancellations of operations – I do
not know whether the hon. Lady also mentioned this – look, you have to understand – although
this does not apply to her now, because she has moved away from the contagion. Those who
1400 still wear the GSD sticker need to understand that they reduced the number of beds in St
Bernard's in the move down from old St Bernard's to new St Bernard's; there was one ward less.
So every day that there is a bed missing, I will say, 'They cut the numbers of beds'. The idea of
putting or building accommodation for the elderly in terms of private, is something that we are
looking at in detail, but it is not something that can be done publicly. In other words, we cannot
1405 now create – in the same way that we create for those in public tenancies – tenancies for the
elderly who are in private accommodation.

I see him nodding his head in agreement, although, of course, he does not know, as I do, that
the GSD made a commitment to house one person in such a home who was going to be allowed
to sell his private property and go into one of the Government rented elderly accommodations,
1410 and he was an ex-GSD Minister. Mr Speaker, I was very disappointed when I saw the letter, and I
told the hon. Gentleman who it was that I did not think it was appropriate to honour that
commitment because it was an unfair and inappropriate commitment and that, if necessary, we
would got to court over it. It was one of the commitments of the former administration I did not
honour, because I thought it was improper; I thought it was immoral; and I thought it was illegal
1415 and outside the rules.

I do not think, Mr Speaker, that a new airport allows for connectivity with other places. I
think an apron does and we have an apron. We could have gone to other places with a
refurbished old terminal; we could have built a different sort of terminal; we could have built a
terminal for £24 million instead of saying it was going to cost £24 million and spending
1420 £84 million on it, Mr Speaker. Therefore, Mr Speaker, he will understand, in the context of what
I have been saying during the course of this morning, that I do not believe that there is a golden
GSD age in office, Mr Speaker, and that in fact if there is a golden age coming, it is coming soon
under the GSLP/Liberals.

I do not want to go into the detail of what he said about the bridge and the skywalk, although
1425 I think he will find that it was fairly ungenerous for him to say that they were just 'flashy
gimmicks', Mr Speaker. To say, simply because the water for the apes is dirty, that things are not

going well in the Upper Rock ... Mr Speaker, the water is sometimes very clean indeed, but the monkeys dirty it themselves because they jump in it, and they get up to things that I have sometimes had to shield my children's eyes from what they are doing to each other in the context of those Upper Rock baths.

1430 But there is one thing that is certainly not going to happen: we are not going to permit destruction of areas. That is why there are already balustrades in the Upper Rock in different areas, in new areas. This is something that we have invested in. The neglect that he sees is the neglect of not one penny invested in the Upper Rock between 1996 and 2011. I recognise that he is not suggesting that the contrary happened.

1435 What happened at the Lighthouse was not that John Cortes decided to go and destroy all of the plants; it is that John Cortes advised, before the 2011 General Election, that the plants being put there would not survive and, lo and behold, at the end of that winter they were gone.

1440 Although I must say that he does not endear himself to me in his analysis of the bunkering revenue and the tonnage dues, because he does not understand what he is talking about, for this reason: the tonnage has nothing to do with the work that is being done in Gibraltar; it has got to do with other states changing their rules. We had a lot of German fleets registered in Gibraltar. The Germans have now changed their rules for registration, and German fleets have left Gibraltar, Singapore, and other registers to go back onto the German register.

1445 The bunkers, Mr Speaker, are only going in one direction, and that is up. So he does not need to think ... he said, 'Is the tonnage going to our neighbours across the bay?' Look, Mr Speaker, Algeciras does not have a register that is recognised by anyone. These fleets are not going to Algeciras, they are going to Germany.

1450 Mr Speaker, publishing lists is not something that one is now able to do because of data protection, so he is not going to get a list of who got the berths. But he does not need one because this is not something that is given, like the mid-town was given, on the quiet, Mr Speaker; this is something that is given based on a list not by Ministers but by people who are officials at the Port. It is something that he can see in broad daylight. He can go and sit there and see who has got the berths. And it is a very convivial place to sit; it is very inviting, in fact, and he can fish – as he recognised, we have brought back fishing. It is a lovely place to sit, Mr Speaker, and you can see who got the berths.

1455 I do not know if there are friends of mine there, no friends of mine, relatives, no relatives; I do not know who has got the berths, Mr Speaker. I get a better indication of this when I put on Facebook, but he must not think that we have been directing berths to one or the other.

1460 But to say that we should have prioritised St Martin's over the berths is really quite something from the party that said to the people who represented the children of St Martin's that they were not going to do a school for them; and to say that we should have pushed the fast launch changes even quicker so that we could have done that in time for the small boats marina and the legislation in insurance etc. Well, Mr Speaker, doesn't he know that this House has not sat for six months because of the Referendum? Otherwise all of that could have been done.

1465 He wants the cost of owning a dog to go down and the cost of owning a berth to go up. Mr Speaker, the reasons for that are so transparent, I am not even going to go further into them. *(Laughter)* But I congratulate him for his *chutzpah* in that respect!

1470 I also congratulate him, Mr Speaker, for not waiting for the Government to install zip lines on the Upper Rock for quickly politically mounting it, Boris Johnson style, and letting himself go down the zip line that was his contribution. I think we all look forward to seeing those in the Upper Rock sooner rather than later.

1475 Mr Speaker, I saw Mr Reyes, in his usual style, his veteran style in this House, play the trick of saying both something and nothing so that he is very difficult indeed to grasp at the moment of deciding how to respond. But he did encourage us to complete the stadium for the GFA in one place or another. Of course, something that I do not know whether the Hon. Leader of the Opposition was so keen on; but, given the disjointed style, I am happy to see him suggest it, I am

1480 happy to see him suggesting we should continue with our plans for the theatre, also against the
background of the Hon. the Leader of the Opposition, suggesting we shouldn't complete our
manifesto commitments.

1485 But I thought it was a little brave of him to complain about works done in people's houses
and how those works might in some instances require correction, when in fact when we arrived
we inherited thousands of pending jobs. People had been waiting in some instances five years,
ten years for a change of shutter. Ten years! The GSD had been in power 16! Ten years! Now we
are down to almost no waiting list. So, Mr Speaker, look, I think it is a bit rich to say that, 'You do
thousands of jobs, some of them need correcting'; well, fair enough, you do no jobs, none of
them need correcting! That is absolutely clear, Mr Speaker. I have made the point on the
Housing Works Agency, so I am not going to make it again.

1490 I am grateful that he was generous in his congratulations of the hon. Lady for her collection
of arrears. I think it is absolutely right that she should be congratulated for the work that she has
done, but I do not think it is right to make complaints about allocation; the allocations have now
been made and the way that we have done them is entirely in keeping with the rules and with
the commitment that we gave in our manifesto that we would prioritise those who were on the
1495 waiting list in 2011, at the time that we were elected.

He encouraged us to build more rental homes. Mr Speaker, I have to pause there because
that is an important aspect that Mr Reyes touched upon and it deals with issues raised by the
Leader of the Opposition, by Mr Phillips and by Mr Clinton.

1500 We were told to build more rental homes because not everybody can afford to buy. Mr
Phillips said something slightly different, about people being forced to buy if they can buy and
not being given rental homes. But of course all of this is in the lexicon of understanding of the
GSD, which would be selling all of the post-war properties. They were going to sell all of the
post-war properties *and* build new properties for rental!

1505 So what we have done, Mr Speaker, is we have built new properties for rental by the elderly,
which moves them out of their existing post-war properties, frees them up for new families to
use, and we are keeping all our post-war property with an excellent finance arrangement that
we have. I want him to understand that, because I think, of all the people who contribute in
respect of this debate, he is the one who is usually fairer in his analysis and if he has understood
the point I think he will be with me on it, Mr Speaker.

1510 We take the point in relation to the minor snagging suggested in respect of Beach View
Terraces. No doubt we will have to look at that. But nothing compared to what has been the
case before. But, look, this is an issue that afflicts all governments and what there has to be is a
commitment to fix the things that go wrong, if we are a developer – full stop.

1515 If he says that there are issues affecting people who have had the new cladding and
refurbishment in the estates, if he was so kind as to write to me and tell me who they are – or to
the hon. Lady – we will immediately pursue those, because we have of course complaints about
work not being finished; everybody wants things done quickly on their block first, but it is
sometimes very difficult to ensure that. Of course what we would have is the happiness then
when it is done; we are not being told that there is water ingress where there was. If he tells us
1520 then we shall ensure that we look into it.

I move now on, Mr Speaker, from the official Opposition to the hon. Lady who is
independent. She now shadows all portfolios, not just those which had been entrusted to her by
her former Leader, Mr Feetham.

1525 Mr Speaker, she started by reminding us all, rightly, that we should congratulate the Lincoln
Football Club for their magnificent success in qualifying for the second round of the Champions
League. I think all of us on this side of the House want to join her in doing that. I think they have
really done Gibraltar proud and this is only the beginning of, I think, the work that Gibraltar can
do in football.

1530 She understands, obviously, the synergy that there is with Scotland and I want to make clear,
because it appears, from what the Leader of the Opposition said in *Panorama* today, that he has

not quite understood the point, that this is only one potential solution for us going forward, in that we must explore *all* potential solutions going forward. (*Interjection*)

1535 Mr Speaker, I am reminded by a veteran player of the GFA, the Hon. the Minister for Justice – although I did not know the result – that Europa FC also qualified yesterday for the second round of the Europa League. (*Banging on desks*) We have been in for two years and we are already in the second round! In 15 years, the Champion League and the Europa League will be in Gibraltar for sure! (*Laughter*) If not this year!

1540 She spoke of the association of this place with democracy in Gibraltar – words which I want to associate myself with. I thought she rose above the partisan debate at the beginning of her address when she talked about how Gibraltar will thrive if we are able to work together as a community. I talked about that she knows extraordinary people doing extraordinary things and I think she captured what I was trying to say in that respect.

1545 She has told me that she is going to write to me about some concerns that citizens have. As she knows, when I receive her communications I will be dealing with them, in respect, in particular, with this issue of lifts which had not been installed. One of the issues that we have is that to install lifts we need to put in something called three-phase electricity.

1550 That is taking longer than getting the lifts there and that is also an issue that makes it impossible to install lifts in an affordable way in some estates; and, indeed, some of the building and the architecture of some estates make it impossible to install lifts in some blocks. Sandpits is actually one of the ones where a lift will be installed and it is just a question of getting enough people to install three-phases in the other estates which are ongoing, to then install three-phase in Sandpits and then be able to give effect to the lift.

1555 But we cannot do everything at the same time. The hon. Lady knows we have a finite resource. We could bring people in from around the world so that at the same time we can put three-phase into everything; it would then all be done in a week, it would all then cost a huge amount of money and it would not be in the interests of the community.

1560 We all agree on this side of the House that the cemetery needs better upkeep and the Hon. Minister has already explained what work is being done there, because that is, Mr Speaker, the only tenancy we all are going to have in common at the end of the day. As the hon. Lady's much appreciated, father used to say, 'That place is full of people who felt that they were so important,' Mr Speaker. So she is absolutely right to care about that.

1565 On the issue of tax arrears, I think I have dealt with the questions that she raised in the context of my other addresses, but, look, in PAYE if somebody does not pay PAYE it is a theft, Mr Speaker, it is a criminal offence and there is specific provision in the law in that respect and the Government is never going to tolerate that; and the Commissioner, in particular, does not tolerate that. Some of the problem that there is, is that the accounts are sometimes littered with old arrears of PAYE, of companies that have gone on liquidation – issues that we dealt with before, and one of them is flattering accounts or dressing them up; this is actually untidying accounts and making them unnecessarily seem to be large, and that has to be dealt with.

1570 In arrears of electricity, there is actually a lot more movement, Mr Speaker, than she might think. There is a lot of work done, but sometimes arrears build up in any event. As you are dealing with old arrears, new arrears are coming up and the totals sometimes do not seem to move; but we have been very aggressive in that respect with cutting people off and, unfortunately, in some respects it is the only thing that works.

1575 I recognise her welcome in respect to the rent arrears and her clear view that it should be annual, which I have already said it will be, Mr Speaker.

1580 When she talks about feedback from the community in respect of the Budget, I am grateful that she is undertaking that work. The Hon. the Deputy Chief Minister and I were very keen to get the cameras in here, to get people to be able to see what is happening. She is right that it is about more than just that, but this is at least a beginning and part of a process; although I heard, with interest, some of the things that she said.

She said, 'You should never even have had to take away the import duty from women's sanitary instruments,' so I looked into who had put them in. I put in what Government had introduced them and I am sorry to say that it predates 1988, Mr Speaker. I will leave it at that!

1585 *(Laughter)*

The hon. Lady called on us to publish and include pages which relate to GIH accounts of the companies of the Government etc. These are public. They should be even more public than the hon. Lady has suggested! In other words, they should not be public and confidential for three months for Members of the House. These accounts should be public and they should be public in the Companies Registry so that everybody can see them online, Mr Speaker – as they will be. But of course, when we have caught up with the huge delay that the party that she used to be infected by created, which means that we are having to recreate accounts and it is costing a lot of time to be able to do.

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I think I have given a lot more details now of GCA, but people can feel entirely safe, Mr Speaker, because their homes are not at risk at all. Nobody's home is at risk at all in respect of GCA, which is the issue that she raised. I think that will be something that she will be pleased to hear, given the question that she raised.

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We have not turned any special commitment into consultation exercises, although she was sitting on the other side with the other representatives, the GSD, that might have been at least speaking or singing from the Hon. the Leader of the Opposition's hymn sheet if we had done that, so I would complain that she was accusing us of something that the Leader of the Opposition was inviting us to do. But actually in respect of one of the commitments that she wrote or talked about, the commitment was actually to carry out a consultation exercise – if she looks at our manifesto.

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I was grateful, Mr Speaker, for the mature approach from her that saw her recognise the sterling work done by Samantha Sacramento and John Cortes, but I did not understand the point that she said that we should bring the things that are in the final book into this book. This book is an estimate and the final book reflects the agreement of the House to things etc.

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The White Book, as we sometimes call it, then becomes the Blue Book, Mr Speaker, or sometimes different colours, and that is the book that is the final account. So the hon. Lady will receive a book which is not draft estimates but Government estimates, which is fine.

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I was very heartened to hear, Mr Speaker, that she sees herself as an effective opposition to the Government and also as an effective opposition to the Opposition where necessary, and I salute her independence in that respect.

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Mr Speaker, before I move to conclude, I want to announce a new measure as a result of meetings I held this week after coming to this House and the very positive progress that I believe there will be in the market to build homes for key workers in Gibraltar sooner than I expected. So therefore I announce a new budget measure today, that where any property is constructed in the next 30 months from 1st July 2016 and that property is rented for residential purposes, the owner of that property will receive a tax credit equal to the tax payable on the profits earned on the first 24 months of rent occurring in the first five years after the completion of construction of that property. The tax credit is not refundable and can be offset against the tax payable to extinguish any liability to tax.

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Mr Speaker, this is not just a Government of colleagues, this is a Government of friends. We understand each other well, we work together well and that is why we are a team. Perhaps that is what has already caused a fracture to happen on the other side and might in future cause others. We are not just colleagues, Mr Speaker, we are friends, we are part of a team; as are the people who work with us – the civil servants of Gibraltar who have helped us to deliver these results; the civil servants in particular who have been so insulted at the Treasury and in the Ministry of Finance, with the suggestion that we might be able to prevail upon them to somehow present an untrue picture of the accounts of Gibraltar. They do the work, Mr Speaker; we are not the masters, we work with them and, as President Jimmy Carter once said at one of

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the G7 meetings, 'Thank you, Mr Speaker, to all of them for allowing us to take the credit for their work.'

1635 I also hope that we will have friendships across the House, Mr Speaker, in these four years, as I said at the ceremonial opening. Let us not see the Members opposite adopt a sixth form debating style, as they have in some instances in the course of this debate, which is neither helpful nor edifying.

1640 Mr Speaker, if they look at the work that this Government has done and this Government is doing and they think at the moment in which Gibraltar finds itself now, they will agree with me that there is no better team to broach the next 24 to 36 months.

1645 Mr Albert Isola has been doing fantastic work in the gaming and financial services industry. Gilbert Licudi has probably delivered more projects single-handedly in four years than any Minister, with a university, two new schools and a marina, Mr Speaker. Paul Balban has finally had the courage to seek a wholesale plan in order to deal with the traffic problems there are in Gibraltar, who has dealt with housing, who has dealt with the Port. Joseph Garcia, who is lobbying with me around the world, who is the backbone of my Government with me, Mr Speaker.

1650 Neil Costa, who works tirelessly every hour that God sends, that does not allow one moment to pass without hard work. Samantha Sacramento, who is dealing with tourism, who is dealing with housing, who is skidding the problem of arrears at last, who has introduced the first hike in rents in 30 years. John Cortes – Mr Environment – who is dealing with health like it has never been dealt with before, who is carrying out under him more operations than have ever been carried out before. And Steven Linares, a man who introduced the Music Festival to Gibraltar, the Jazz festival and so much more. Gibraltar is not the place it would be if it was not for this team.

1660 All of us of course, Mr Speaker, building on the work that Joe Bossano started in 1988 when it was first time to turn around Gibraltar's economy when the MOD were leaving Gibraltar. That was a time of great challenge. Who better to have in the team now than Joe Bossano, again to face that challenge! Those who have criticised them, I now sense are starting to change their attitude and instead of trying to criticise Joe Bossano, what they are trying to do is build him up, Mr Speaker, in some way to try to suggest that those of us around him might feel that we are less than him. Well, Mr Speaker, you know what, we all know that we are less than him; we all know that we are building on the legacy that he has started to build for Gibraltar from the minute that he arrived here in 1972 and started the battle for parity, to today when he is still creating ingenious new funds, ingenious new rainy day funds – exactly the sort of medicine that Gibraltar needs to navigate these difficult Brexit waters.

1670 These are the team that Gibraltar needs, Mr Speaker. I am not one of them, but they are part of the extraordinary people doing extraordinary things; and to only hear petty party criticisms from some of the Members on the other side was really very unedifying. Now is not a time for party political electioneering; it is not a time for spin. As I said before, this is a time for substance, but unfortunately that is not what we got from them.

1675 Mr Speaker, instead of joining us – and, I must say, perhaps also the hon. Lady – in raising our eyes beyond today to look out for our common tomorrow, unfortunately we have seen them looking back to try to replace some of the arguments that lost them the election with the worst defeat ever suffered by a party in a two-horse race in the history of democracy of Gibraltar. Mr Speaker, nothing, unfortunately, seems to be changing in their approach: more crying wolf, more talking Gibraltar down – nothing extraordinary, no one extraordinary; just the same old, same old which the nation has already rejected.

1680 Nothing I have heard, Mr Speaker, persuades me to do anything other than to commend the Bill to the House. **(A Member: Hear, hear.)** *(Banging on desks)*

With that, can I propose that we return at 4.30 p.m.?

Mr Speaker: May I? I have to put the question. **(Hon. Chief Minister: Oh, sorry!)** *(Laughter)*

1685 I now put the question, which is that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2017 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

The Hon. the Chief Minister. (*Interjections*)

1690 Sorry, I think the Clerk should now say ... I can say it on his behalf: the Appropriation Act 2016. The Chief Minister.

COMMITTEE STAGE AND THIRD READING

Appropriation Bill 2016 – Committee Stage and Third Reading to be taken at this sitting

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

Unfortunately, Mr Speaker, I have got your crib not mine, but –

1695 **Mr Speaker:** You have mine and I have yours.

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

1700 **Hon. Chief Minister:** Mr Speaker, I now move that the House now recess until 4.30 p.m. this afternoon.

Mr Speaker: The House will now recess until 4.30 this afternoon.

The House recessed at 2.55 p.m. and resumed its sitting at 4.36 p.m.