



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.00 a.m. – 1.50 p.m.

Gibraltar, Thursday, 29th June 2017

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The Gibraltar Parliament

The Parliament met at 10.00 a.m.

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

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

Appropriation Bill 2017 – For Second Reading – Debate continued

Clerk: Meeting of Parliament, Thursday, 29th June.

Mr Speaker: The Hon. Chief Minister.

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Chief Minister (Hon. F R Picardo): Well, Mr Speaker, what a year it has been since I last summed up a Budget in this House, in political terms at an international level but indeed in political terms at a national level, and some of the things that we are seeing played out on the benches opposite are really without precedent in the parliamentary history of Gibraltar. But the political history of Gibraltar is something that we shall look at now in some detail in the context of this debate, in the context of Budgets, Appropriation Bills, debates on the Estimates in this House since the 1969 Constitution, to understand what it is that has played out in the past 72 hours and the import of what it is that some purport to do in this House.

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Mr Speaker, perhaps it is because it is already summer that some of the debates get heated and people get hot under the collar, because it was not ever thus in this debate. It was not always an acrimonious debate, where people got hot under the collar and said things about their opponents that are really, although parliamentary, not designed to produce a Parliament working together. And of course I say all that under the spectre of the first time in the history of this Parliament – indeed, in the first time of the history of democracy in Gibraltar, going back before the lifetime of this Parliament and before the 1969 Constitution – that an Opposition has threatened to vote against the appropriation sought by the Government.

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But of course I say an ‘Opposition’ for shorthand. I should say an ‘official Opposition’, because the hon. Lady, although she has had a hammer-and-tongs go at the Government in some of the things that she has said, understands the importance of voting in favour of this appropriation. And I thought I might be able to say the ‘official Opposition’, and yet last night on the principal television news programme I find out that it is not even the whole of the official Opposition that is going to take that position. I know that Mr Reyes, for very good reason, which he has explained to me – he had the courtesy to explain to me in person yesterday – is not going to be here and is therefore not going to be able to exercise his vote, but it is the first time that a Leader of the Opposition has said, ‘I am going to lead such of my faction as might decide to follow me on this occasion to a negative vote on the Estimates.’

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If that is going to be a parliamentary change, Mr Speaker, we need to understand whether it is a good thing for Gibraltar that that is going to change or a bad thing for Gibraltar that the tradition is going to change. And if it is a bad thing for Gibraltar that it is going to change, Gibraltar will know how to deal with those that have brought about a bad change for Gibraltar, because all of us who are here are passionate about Gibraltar – and let me make space for one

of the persons who has been most passionate in his life and has demonstrated it with his contributions in this House for many years.

40 Mr Speaker, we are all passionate about Gibraltar and that passion for Gibraltar is supposedly what brings us here to make the effort to be in politics, to make the sacrifices that being in politics entails. We are not supposed to be here for our egos, we are not supposed to be here to give full vent to our political ambitions or indeed our accounting peccadillos; we should not be here for anything other than for Gibraltar. Wherever Gibraltar puts us, on that side or on this side, our first and guiding principle must be to do right by Gibraltar. We do that in an adversarial system and we have to therefore do it by way of confrontation. I defend the adversarial system, 45 I think it is a good thing for Gibraltar, but always with us in an adversarial system being advocates for Gibraltar, not for ourselves individually, as some appear to be. And yet in this debate some people have come apparently not caring about Gibraltar and not caring about the consequences, of the things they have said and of the things they have said they will do, on 50 Gibraltar.

Some people, Mr Speaker, seem to care more about the headlines they might grab than on the effects their words could have on Gibraltar, and I am going to focus on two. I am going to focus on Mr Feetham and Mr Clinton, because I think what I have to say about this subject has to do with them and not with the other Members – even of the official Opposition, let alone 55 Mr Llamas. Being rivals in an adversarial system should not seek to bring us into a situation where, in order to undermine each other, we forget about the interests of the client, although I know many instances where perhaps we might have that discussion about some on the other side and their client might not have been the most important thing in their minds.

So let's do this exercise, Mr Speaker, looking at the political history of Gibraltar, and let's see 60 what the political history of Gibraltar teaches us about debt, hidden debt, company debt, inflated accounts, flattered accounts, allegations of bankruptcy and allegations of potential bankruptcy. I am going to start in the administration of the IWBP in 1969-72. History, we all know, will teach us everything and it is a fool that thinks that history will teach us nothing, but history is sometimes a dense subject. If anybody thinks that this is going to be a dense exercise, 65 they would be wrong. This exercise I think is going to be very informative, and anyone who is even in the slightest a political buff or a political geek is going to enjoy it, and anyone who has the economic interest of the history of Gibraltar and the future of Gibraltar in mind is going to see how important it is to do this exercise.

Mr Speaker, I have pleasure in telling you that you are going to feature prominently in the 70 historical exercise I am going to do. Given the experience that we always refer to you having, you are therefore an important participant in the exercise I am going to do.

I cannot, I confess, find a good record of *Hansard* reflecting the debates on Estimates between 1969 and 1972; I can find the vote but I cannot find the detail of the debate. There is a much better *Hansard* available for 1973 onwards, which is the AACR administration, and so I am 75 going to be able to quote more extensively from there. But let it just be clear on the record that between 1969 and 1972, with Bob Peliza as Chief Minister, Sir Bob Peliza as he then became and Speaker of this House also, and Joshua Hassan as Leader of the Opposition, the fearsome political operator – you do not become Chief Minister of Gibraltar for 40 years without being a fearsome political operator and it is obvious there are people in this House who have his legacy, 80 Mr Speaker. On that occasion, in those three years, with Peter Isola as an independent Member of the Government, and Joe Bossano the king across the water at that time, on no occasion did the Opposition, the AACR, which had then been in government for 20 years and found itself for the first time in Opposition, did they ever vote against the Estimates or did they even threaten to vote against the Estimates. Probably nothing worse than being in Government and suddenly finding yourself on the other side, and yet they knew how to deal with that, raising points but 85 not threatening to vote against.

The record of *Hansard* starting in 1973 gives us a much better flavour of the debates that were ongoing, and I can see, reading it and reading those *Hansards*, this House comes to life

again with its old wood panelling that some so miss. It really comes to life, and I can see that the political rivalries in those days were not soured by personal animosity. There is a magnificent quotation from Joe Bossano speaking from the Opposition benches for the first time, doing an economic analysis that ... Maurice Xiberras said:

‘It is the first time we have had a Gibraltarian do such an economic analysis and not a Financial Development Secretary brought from the UK, and what a good thing this would be for the history of Gibraltar to have a Joe Bossano in this House.’

Nothing has changed there, Mr Speaker. Joe Bossano is your shadow but he speaks before you in the context of that debate because he shadows other people, and I think he spoke just after the Financial Development Secretary had presented. But he says something to you, Mr Speaker. He quotes something at you which you had said on television in a debate in the context of some industrial strife in 1972 in the run up to the general election, and these will be the watchwords for my reply during the course of this debate. This is what Joe Bossano says you said on television, and you then later in the debate accept it is what you said:

We have not been elected to preside over the liquidation of the society which, though admittedly imperfect, has been built over the years by Gibraltarians of goodwill. Gibraltar will not be destroyed, so help us God.

Bossano quoting Canepa and saying Canepa is right. We have not been elected to preside over the liquidation of a society which, although admittedly imperfect, has been built over the years by Gibraltarians of goodwill: Mr Speaker, I fully adopt your words and the quotation of you from Joe Bossano.

What was going on at the time? What was the debate about? What was the Opposition, then the IWBP before the Hattersley memorandum, saying in ... I see Mr Llamas has just arrived; I have never been so pleased to see him, Mr Speaker! (*Laughter*) Before the Hattersley Memorandum, what was the IWBP Opposition saying to the AACR that had just got back into government? Well, this is how you reflected, in reply to Joe Bossano, what Joe Bossano was saying of the AACR in 1973’s Budget:

Sir, ever since we resumed this evening at 9.30 p.m.

– late sittings in those days –

we have been hearing the Hon. Mr Bossano mainly on a very – for me, practically a layman in financial matters – very informative discourse on the finances of the territory. I do not think it is within my province to even attempt to answer many of those diverse weighty matters that he has raised.

It sounds like a Cabinet meeting, Mr Speaker!

A message, sir, that has, however, got through to me, has been that of –

– and this is what Bossano was saying –

muddy, hidden-away-somewhere estimates, particularly revised estimates, inflated, sinister transfers of money from the recurrent expenditure into the Improvement and Development Fund, underestimated revenue from a conservative Financial Secretary, or at least underestimated revenue expectations. This is the message, sir that has got through to me and I see it purely under the general heading, or under the general accolade that I expect to be levelled at this Government of being arch super cicutas. However, sir, considering myself, as I say, in these financial matters purely a cicutilla, I do not think I will comment on that.

Well, Mr Speaker, the things that Joe Bossano was saying in 1973 do not seem a million miles different to the things we have heard, apparently as new discoveries from the putative Accountant General opposite! (*Laughter*) But that was in 1973 – 44 years ago; I was one year old – and the Opposition were saying that the Government was hiding money, hiding transactions, that you were inflating the estimates, that there were sinister transfers of money from the

Recurrent Expenditure Fund to be flattered into the Improvement and Development Fund projects.

Mr Speaker, it is exactly the same thing Mr Feetham has been saying for the past five years. Maybe he is a better student of history than I thought. One of the degrees that he has – because
120 I do not know how he managed to get us to pay for more than one – is History, and he is saying the same thing to us that Joe Bossano said to you 44 years ago. So I suppose there is no point getting hot under the collar because of the things that they have said to us this week – Mr Feetham and Mr Clinton, and even Ms Hassan Nahon, although in a much more elegant tone – exactly the same things that Joe Bossano was alleging against you and Joshua Hassan 44 years
125 ago. You see, the only clear distinction, which comes across even then, is that Joe Bossano's position that there is nothing wrong with borrowing as long as it the right sort of borrowing designed for the right sort of purpose, not to pay recurrent expenditure and always in a way that can be repaid and the money invested in income-producing projects.

Mr Speaker, the most important thing to note about the debate in 1973 and the reason why I
130 went to the *Hansard* is that despite all of these allegations – hidden funds, inflated estimates, etc., all of the same things we heard this year – the Opposition voted with the Government to approve the Budget.

Mr Speaker, as history moves on the rows get worse. Usually we think that in the halcyon old
135 days people were just more polite to each other. Actually, what I detect is that the Budget seems to come later in the year from March, April, May, June, and by the time it gets to July there is very little elegance left in the House. I think it has got more to do with the temperature than it does with the age.

But having read what I read when I started the exercise, I am almost minded to sit down, allow them to do what they like and know confidently that our society will not be liquidated, we
140 will not be destroyed and it is very likely that in 40 years somebody called Hassan, somebody called Bossano, somebody called Feetham and perhaps even somebody called Isola and somebody called Picardo might get up and say the same thing, whoever is here, and yet society will not be liquidated, we will not be destroyed.

But let us cut forward 18 years. In that period there are absolutely no instances of the IWBP
145 voting against the AACR, the DPBG voting against the AACR, the Gibraltar Democratic Party voting against the AACR, or even the GSLP in the period 1984 to 1988 voting against the AACR; robust debates, the same sort of issues, but never a vote against. I wonder what it is that makes the hon. Gentlemen opposite think they are better than Bossano, than Hassan, than Peliza, than Xiberras, than Caruana, that they have come up with something that those giants had not
150 thought of.

In 1990, Mr Speaker, Joe Bossano is Chief Minister, you are Leader of the Opposition, and there is an independent Member in the House. Still, Mr Speaker, I find it remarkable when I look
155 at the *Hansards*, the relationship between you – although ideologically, for some reason not in the same party, dancing on a pinhead of differences, but still hugely affectionate. Now that you are Leader of the Opposition, Mr Speaker, this is what you have to say about the 1990 GSLP Estimates:

I shall be dealing not just with what the Estimates for 1990-91 reveal but, what is just as important, if not more so, in our view, with what they do not reveal.

Mr Speaker, we really need to think of something else to say to each other next year.

To finance this growth, the GSLP are taking a huge gamble with their economic plan, a plan which is dependent on investments from outside and investments from the Government by way of an unprecedented level of borrowing. The Government already has powers to borrow up to £100 million.

160 A huge amount in those days; £100 million must have seemed an impossible number in those days. Debt was then something like £6.4 million in 1988 when you left, and now it was going up to £100 million.

It is the taxpayers of today and not tomorrow who for many years to come will have to pay back these huge debts.

Twenty-seven years ago.

If the gamble does not come off and Gibraltar cannot pay back these loans, then our people, the most important resource we have, as Mr Bossano is so fond of telling us, will be the ones who are going to arrive at the crossroads where one of the signposts points to bankruptcy.

165 That was very robust, Mr Speaker; it was a very robust speech. It goes on. I wish I could read everybody the whole of it. It was well informed. I could see Bossano with his economic plan versus Mr Canepa with his view of how things should be done – a very robust debate, almost saying, Mr Speaker, you could take us down the road of bankruptcy. We have heard it all before, Mr Speaker. What did you do? Page 145 of the Estimates. Despite that very robust countering of the Estimates presented by the Chief Minister of the day, following tradition, Mr Speaker:

We will vote in favour.

Mr Speaker then put the question, which was resolved in the affirmative and the Bill was read a second time.

170 Well, Mr Speaker, as we all know, bankruptcy was not the result of those eight years of GSLP Government. You can have many differences of opinion about what the GSLP Government of 1988 to 1996 did, but what it did not do was lead us to bankruptcy. In fact, Sir Peter Caruana, in his own valedictory speech in this debate two years ago, said that those eight years, giving huge credit to Joe Bossano, are what enabled us to deal with the change from an MoD economy to a private sector led economy. And so, far from bankruptcy – although he kept saying that in the four years between 1992 and 1996, to only take it back in 2015 – what Peter Caruana found was pots of cash. This is exactly what he had to say in the *Hansard* of 2015. Talking about Mr Bossano in very affectionate terms, with Joe Bossano appropriately not here to hear him, Mr Speaker:

175 the great divide

– said Sir Peter Caruana of him and Joe Bossano –

in domestic economic terms was Joe's, I suspect, still held 'rainy day fund' mentality when it comes to economic stewardship versus our approach at the time which was that Gibraltar needed to spend, to grow, to reposition, to create an environment, to create a climate, a fiscal as well as a reputational environment, in which further investment would become more attractive to foreign investors and that way start a snowball rolling which only Government funding at that time could really do in sufficient measure.

180 So, GSLP rainy day fund. No longer allegations from Caruana versus Bossano of bankruptcy – a rainy day fund. Spending profligacy: GSD policy. So the idea that somehow today the GSD is telling us that we have to have something called a rainy day fund, as if that were something that we needed telling, Mr Speaker ... This is beyond a joke, and this is too serious now for jokes because we are spending, we are investing, but we are also maintaining rainy day funds, something they did not maintain, as we found out when we were elected.

185 Anyway, I have got to 1990, and 21 years after the 1969 Constitution no Opposition had ever voted against the Budget presented by a Government, even though the accusations flying across the floor of the House were as tough as they are today; perhaps more elegantly put and perhaps, until 1991-92, with less animosity injected into them.

190 So let's look at what happens when Sir Peter is first elected. Brace yourselves, Mr Speaker, if those who are watching think that they know what the relationship between Bossano and Caruana was like because they remember that it was difficult, but let me read you what Joe

Bossano said to Peter Caruana when he was first elected into the House in his first Budget debate – because I must say I found it to be in disappointingly fond terms, Mr Speaker! *(Laughter)* Joe Bossano, as Chief Minister, said this to the newly elected independent Member, Peter Caruana:

Mr Speaker, before I make my contribution on the Estimates of Expenditure, and indeed on the state of the economy, I would like to take the opportunity as Leader of the House to welcome our newly elected Member and to say that we look forward to his constructive contribution to the debates in this House.

195 He had not opened his mouth yet.

He occupies, of course, the seat that I had for 16 years,

– she knows which one that is, Mr Speaker, the rocket chair –

so he can now start getting used to how long it takes to move from that side of the House to this side of the House. We believe that the role of Parliament has to be not simply to try and trip up the Government but also to help the evolution of good government by making positive suggestions when Members on the other side see things that they in principle are not opposed to, which I think must be a fair proportion of the work that we do.

Exactly as you said Joe Bossano had behaved in the context of his contribution to the Estimates in 1973.

We understand that there are things where there are fundamental policy differences, but in principle, when they are opposed to it we would expect that we would be able to make contributions which would enable us to improve the quality of what we hope to be able to do for the benefit of the people of Gibraltar, and as I say, Mr Speaker, I look forward to his positive contributions.

200 So it was not just Sir Peter being fond of Joe Bossano; in the early days it might have gone a different way.

And then Peter Caruana started his analysis, Mr Speaker. This is the first GSD analysis of a GSLP Budget on record. It is in March 1991. It is essential that we look at what the GSD was saying in 1991, Mr Speaker:

Ministers in this Government, who in effect spend their time wheeling and dealing behind closed doors in relation to public assets that they are not willing to account publicly for what they are doing.

Exactly what we have been told today, or this week.

Mr Speaker, it is, in our view, incorrect and indefensible that public assets and money should be injected, invested or in any other way made available to private companies, whether they be Government-owned or joint venture companies, without public accountability of that fact. The fact of the matter is that hon. Members opposite should not forget that, unlike the practice in the United Kingdom, there is no filing of accounts by companies at the Public Companies Registry and that therefore if the Government is not prepared to give information the information simply never becomes available. Mr Speaker, joint venture companies are, in our view, not just joint venture companies but they are generally being used by this Government as a means of taking traditional areas of Government activity for which they were accountable out of the public political arena and into the commercial field, where they are politically unaccountable.

205 I just think that actually Roy Clinton is a much better student of history than the history graduate, Daniel Feetham, who just pulled this out, did not feel like coming up with new arguments and thought he would just adopt Caruana's.

210 Mr Caruana is saying the same thing we are hearing now about companies, but with the caveat, he says, 'It's because in Gibraltar companies do not file accounts and therefore I can't get my hands on the accounts.' What he did when he was elected was he passed a directive which required the filing of accounts, filed the first year of accounts and then never filed them again – and added to the companies. So what was a sin became a virtue.

He goes on:

I think, Mr Speaker, there is no precedent anywhere else

– I do not know whether I hear Clinton or Caruana speaking now, Mr Speaker –

and, to the extent that we are in Gibraltar, distorting the operation of traditional parliamentary democracy.

215 Is this Monday – or is this 16, 15 years ago?

I have not been able to find a single parliamentary democracy that allows elected Ministers of the Crown to sit as directors in a dual capacity in the commercial sense, Mr Speaker, and then, when asked to give information on companies in which public moneys have been invested, to say that as chairman of the company they cannot be revealed.

He did not change the practice when they took over, Mr Speaker; in fact, they did not even file accounts.

This is a serious distortion of the quality and nature of parliamentary democratic Government as it has hitherto been known everywhere else in the world. Of course, Mr Speaker, we are free in Gibraltar to invent new systems of constitutional government, and then of course it will be up to the people to express a view as to whether they want it or not.

220 So the hyperbole of the denial of democracy, the hyperbole that this only happens in Gibraltar and does not happen anywhere else, which we have heard again and again and again this week. But then also the constitutional argument: this is not allowed under our Constitution in 1969, the argument Clinton puts – Mr Clinton – in the context of this year's debate, unless we design a new Constitution. And yet, Mr Speaker, this Chief Minister, Peter Caruana, when he won, designed a new Constitution and the new Constitution that he designed allowed for everything that he was doing, which is what we have continued doing.

225 He went on:

There is a significant amount of public money in the Gibraltar Investment Fund

– Gibraltar Investment Holdings –

which presumably has been invested in private companies. Mr Speaker, the reality of the matter is that 24% of Government expenditure is now voted on the basis that this House does not know exactly how it is going to be used. The 24% of the money that this House will vote on this Appropriation Bill is in effect voted for, at least by the Members on this side, on a blank cheque basis.

Can they please come up with something different for Opposition, Mr Speaker?

I think that this House should know the full extent of the Government's borrowings either directly or through companies. Mr Speaker, on the question of Government borrowing generally – and of course I hasten to say that it is an entirely legitimate tool of Government economic management and planning, which I have not in itself criticised.

Mr Clinton does, it seems.

However, Mr Speaker, there is concern again, which I bring in from outside this House, as to the extent to which the present borrowings of the Government may become a burden to this and future generations of Gibraltarians if these policies do not work – and again I say that we all hope they will.

230 Well, everything is the same in the analysis from Caruana in 1991 as from Mr Clinton today, except for that last limb, that last important element where Peter Caruana says, 'I hope that these policies will succeed.' There is that underlying pointing out the problem but hoping that it is not a problem and that this works for Gibraltar. I detected that in the things the hon. Lady said. I did not detect an iota of that in the things that Mr Clinton and Mr Feetham said; I almost felt as if they were cheerleading for our failure, Mr Speaker.

235 Mr Caruana then said:

The jury is out on the question of Government borrowings and Government expenditure until such time as we know exactly what these borrowed funds are being applied to.

Exactly the same: tough – his first intervention already showing his ability to advocate in this House in a way that was then to become legend. Six hours he replied for on one occasion. Very tough from the first moment. You should not have welcomed him so graciously, in my view!

240 The Attorney General reported in those days under the 1969 Constitution. The vote was taken. Everybody in the House voted in favour of the Estimates. So, on exactly the same arguments, exactly the same level of gravity, but with a desire to see Gibraltar succeed, not fail, the GSD, then represented through an independent Member, votes in favour of the Estimates.

245 Well, Mr Speaker, the first thing to note about that extract, of course, is that this is a GSD that runs arguments about pots calling kettles black, because when they came into Government they did more of the Government borrowing, they did Government trading companies, they alienated a larger part of the Budget and they found not bankruptcy but pots of gold – but they always voted in favour of the Budget.

250 But that was in 1991. In 1995, in political terms, Peter Caruana was circling for the kill. He would be Chief Minister within a year. All of the same arguments, the raising of the temperature, the borrowing etc., all of the things he would start doing himself within a year and a month, Mr Speaker. But listen to this:

We will take no further part in the debate on the Estimates and the Appropriation Bill and the remainder of the speeches that we were going to make on a departmental basis will be brought to this House by us as substantive motions at the next possible opportunity, which is either this meeting if it is not now adjourned *sine die*, or in the next meeting if it is adjourned *sine die*.

255 They walked out. The argument for walking out was about directives, direct rule and sharing information on direct rule etc. – all of the arguments we have heard already – but even then, 1995 ... I cannot even imagine in my mind a time when I remember Gibraltar more polarised than in 1995, Mr Speaker. The confrontation between the GSD and GSLP was at its highest. People who had been friends were not talking to each other; it was affecting families. Peter Caruana walked out of the House but he did not vote against the Estimates of Expenditure of the Government. Peter Cumming was an independent Member, Mr Speaker, and he voted in favour of the Estimates. So the GSD has never voted against a GSLP Budget and the GSLP has never voted against a GSD Budget, and every independent Member I can find a record of has never voted against the Government on the Budget.

265 But what is really remarkable, Mr Speaker, is that in this Second Reading when they are going to exercise this right to vote in a way that is to deny salaries to civil servants, to close schools and hospitals – and I will come to that in a minute – they have not said one thing about departmental expenditure, not one thing. They have not said, ‘You are going to spend too much in this Department and therefore I am voting against; you are going to spend not enough in that Department and therefore I am voting against.’ They just come up with this overarching constitutional argument, which we have heard a hundred times before deployed by every person who has been on that side of the House as if it were the Opposition tool book – except for Joe Bossano, who made a different argument as Leader of the Opposition – and they say, 270 ‘We are going to vote against.’ I do not know whether they have even bothered to understand the departmental expense.

275 In 1997 Joe Bossano was now Leader of the Opposition. He had been Chief Minister of Gibraltar for eight years, at that time the most powerful man in Gibraltar. Joe was a particular brand of Chief Minister who was seen by people as an impregnable intellect on issues of finances. He comes to a Budget debate where the person presenting to him clearly knows less about the Gibraltar economy than he does, although a very able advocate – what does Joe Bossano do? He says this:

if there were no doubt about the accuracy then we can only describe the effect on the future of our economy and the policy which is going to be implemented over the next 12 months in one sentence, Mr Speaker, never in the history of Gibraltar have so few spent so much in such a little time and on top of it expect to have so little to show for it. We will nevertheless support the Appropriation Bill.

In 2004, very concerned about some aspects of supplementary appropriation:

But we will be of course be supporting the Appropriation Bill as a whole.

280 In 2009, Mr Speaker, I found myself in the very difficult position of having to stand in for Joe Bossano and for Mr Licudi, who were not in the House, during the Appropriation debate. I supported the Estimates. I said this, which I said every year that I was in Opposition:

Gibraltar cannot be without an appropriation and we will therefore be supporting the expenditure proposed in the Bill and the schedules on the terms already identified by the Leader of the Opposition, and we predict that in the next budget there will be no increases in Social Security ...

– because we thought that was going to be the election year.

285 In 2010 the same thing, and in 2011, when I was Leader of the Opposition, I made exactly the same point but I said this:

Gibraltar cannot be without an Appropriation and we will, therefore, be supporting the expenditure proposed in the Bill and its Schedules with the observations that my fellow Opposition Members will be making in the coming hours and days ...

Mr Feetham is not the first Leader of the Opposition I have had to face from these benches. Peter Caruana went from being Chief Minister to being Leader of the Opposition. No sooner had he found himself on that side of the House, one of the things that he said to us in the context of the Budget debate that he was dealing with as Leader of the Opposition was this:

I have to admit, Mr Speaker, that I had forgotten how easy and different life looks from this seat. When one does not have the responsibility of governing, critical comment is absolutely free of charge.

290 My goodness, they have taken the lion's share of the free-of-charge in the past 72 hours!

Hon. Members on the Government benches who were in Parliament in Opposition before will, I am sure, already have discerned the difference – of course you do; you feel the sense of responsibility that there is in Government – but there is a sense of responsibility also to be had in Opposition. In that Budget debate, Mr Speaker, the Opposition led by Peter Caruana voted in
295 favour of the Estimates presented by Fabian Picardo as Chief Minister.

Something started to change, though, and in 2014 we saw the first fault line appear. In 2014, with a much stronger Opposition team – not the one that he has got today but what had been a team for government of the GSD, which they have now lost; not with novices around him, Mr Speaker – Peter Caruana finds himself as a backbencher and Daniel Feetham is Leader of the
300 Opposition, and for the first time there is a whisper that the Opposition is going to vote against the Government. But they all voted in favour. Why? Well, the party whip, then the backbencher, ensured that whatever the new leader might have thought, they were all quickly told, 'Ssh, vote in favour.' I had called a division because I had got the whisper that they were going to vote
305 against, and they all voted in favour because if you are going to vote against you have to put your name to it and not hide behind a crowd of nays. And this is what Peter Caruana said to explain the vote immediately after they had all voted yes despite Daniel Feetham wanting to vote against:

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

So the kernel of the idea comes into the head of the new Leader of the Opposition, but the general of the troops stops them from making the mistake of voting against.

310 We do not know what it is that the hon. Member meant now when he said the Opposition will be voting against the Budget, because it is not even the whole of the official Opposition that is going to be voting against the Budget if what we saw on television last night is true. It is not the whole of the Opposition benches. Ms Hassan Nahon has been very clear in her criticisms but will be following the tradition. She will be no less tough than some of the people I have read
315 extracts from, all of whom ironically went on to become Chief Minister. Mr Llamas has said what he has said. I congratulate him for it and I will be dealing with that in a moment. I do not mean to just throw him a bone, if you will excuse the pun. Mr Reyes is not here. So really, Mr Speaker, that just leaves four individuals. Is that what he meant when he said the Opposition will be voting against? In a Chamber of 17, four will be voting against? That is what he can muster on
320 this most important of issues that we deal with? Ask Mr Clinton whether he thinks appropriation is important or not. On this most important of issues that we deal with there has been no collective decision-making when an announcement has been made of how they are going to vote.

So that means that for the second time in the short life of this Parliament Mr Feetham is not
325 going to be followed by the people who are apparently in his party whip in Parliament. The first he argued was an issue of conscience. The second is not an issue of conscience; this is the whole underlying edifice of politics for the next year, the Estimates, the spending. Since he became Leader of the Opposition, Mr Speaker, not only has he lost two votes in this Parliament – or votes in this Parliament from the people around him; he loses most votes in this Parliament
330 when he goes against the Government – he has lost another Member. Before the election he had lost a Member, Mrs Isobel Ellul-Hammond, who made a statement publicly about what her views on him and his leadership were. She did not use the word ‘inspiring’ in the context of her explanation, Mr Speaker. Ms Hassan Nahon. Today we have heard that Mr Llamas is not voting with him. Ms Hassan Nahon mustered four votes, I think, out of seven on that side in respect of
335 the civil marriage matter. This is really quite incredible. This is not leadership; this is collapse. Peter Caruana built up from one to seven, from seven to eight and from eight to 10. He is managing to take the GSD from where it was at 10 – he got it when it was at seven and he has managed to keep it at six. I wonder whether it is going to stay at six, Mr Speaker.

I want to commend Mr Llamas for his statement last night, because Mr Llamas is a civil
340 servant when he has not been a parliamentarian, and so therefore, as a civil servant in the Tax Office dealing with revenue etc., he must understand the lunacy of putting at risk the salaries of the excellent public servants we have in Gibraltar, with all the consequent consequences; because if this Budget were not to pass – in other words, if what we are proposing were not to occur ... And this is a place called Parliament – we come to parlay and persuade each other – and
345 they have said vote no. So, far from failing to persuade their own people, imagine if they had managed to persuade our people, or imagine if a Minister had got ill. Albert Isola was travelling yesterday – he had to meet Treasury people in the United Kingdom. Joseph Garcia was in Brussels on an exhibition that had been fixed some months before and we could not change the date; we had to have it, unfortunately, on the same date as the Parliament. Eight-seven,
350 Mr Speaker. One Minister ill, and Steven was in Gotland if he had not been able to get back: what is the effect of what the hon. Gentleman was saying?

Perish the thought, Mr Speaker, that he should ever get his way in politics, but imagine if he had. We know what the effect is because we have seen it. In the United States, when budgets do not pass government shuts down. Civil servants stay home and they are docked their pay and
355 usually a compromise is done when they are about to close hospitals and schools. Or is it that they are saying that they were taking the luxury of voting no in the full knowledge that it was a gimmick that was not going to in any way affect the result of the Budget? Because, if what they had come here to do is gimmicks, I would seek to persuade them to do what Peter Caruana did in 1995 and just walk out. It is a gimmick, it never works for the people who walk out, but at

360 least it saves us time. Government shutdown led by Roy Clinton and Daniel Feetham – Roy Clinton with the new arguments he has found, which you can find by going just to any standard *Hansard* of the past 20 years (*Laughter*): schools would close, the hospital would close, people would *die*, Mr Speaker, (*Interjections*) because of the nonsense –

365 **Mr Speaker:** Order!

Hon. Chief Minister: Oh, Mr Speaker, no, if the hon. Member wants to clap when I say that the consequence of their actions would be that people would die, I think people will realise what it is that he is like and what it is that matters most to him. He is looking to shut down the Government, to stop the salary of every civil servant. He used to say that civil servant pay is not based on merit. (*Interjection*) That is what he said: Civil Service pay is not based on merit. Today he has gone a step further: he has tried to stop civil service pay, Mr Speaker.

370 Our elderly care homes would close. There would be no domiciliary care. There would be no police, there would be no ambulance, there would be no fire service, there would be, in effect, no security, Mr Phillips. This would not be a hole in the fence; this would be a *whole* shut down. (*Laughter*) That is what they were risking with the vote. They were risking Gibraltar becoming a failed state. They were risking Gibraltar becoming Venezuela, Mr Speaker. They would have brought about that which you said please God would never happen and Joe Bossano agreed. They would have liquidated the state, Mr Speaker. That is what the effect of Daniel Feetham having a majority in this House on this vote would have meant.

375 The political irresponsibility is legion, historic, and all because of an uppity accountant, retired banker, who thinks that a number should be on a different side of the line than on the other. Better and tougher inquisitors than them have taken governments to task more effectively without having to risk shutdown or lockdown, and every civil servant, teacher, policeman and fireman should know that the GSD voted not to pay them this month – well, some of the GSD, Mr Speaker, if Mr Llamas does what he told us he was going to do last night.

380 And they decided it even before they got here. They came with prepared speeches that said they were not going to vote in favour of the Budget. The Hon. the Leader of the Opposition said it in the first two paragraphs of what he said. Isn't this a Parliament? Aren't we here to persuade each other? As you rightly said, I come with a prepared speech because I come to persuade with the Bill, with carefully worked out costs and import duty reductions etc., and tax benefits that trickle down to the people who need to share in the wealth of our community. They have to come to listen and then make a decision as to what they are going to do. They came ready with one view only, at least some of them: they were going to vote against.

385 But, Mr Speaker, I am going to do the exercise now, in detail, of taking them through the numbers that Mr Clinton took us through – once I have dealt with Mr Feetham – to demonstrate that they are wrong even on the premise that they make the argument. But I will say this, Mr Speaker: as we continue in this debate I assume they are not going to be asking us questions in committee. (**Hon. N F Costa:** Certainly not.) They are voting against the Bill (**Hon. N F Costa:** Exactly.) because they say the Bill does not disclose expenditure. They say that this does not disclose what we are going to spend on. Every question they ask us in the Committee Stage legitimises the book and the spending set out therein and delegitimises the nonsense position that they have taken, (**Hon. N F Costa:** Hear, hear.) (*Banging on desks*) because we will be showing how much detail is before the House and it will be depriving of legitimacy the ridiculous notion that somehow we are not accounting to this House for the spending.

395 I am going to have to deal with Mr Clinton and Mr Feetham together in the context of some of the arguments that they have put, and then of course I will also deal with Mr Feetham in the context of the shocking revelations that we heard yesterday from Ms Hassan Nahon about Facebook.

400 Mr Speaker, that is, I suppose, where I have to start, where he started, on Facebook, because he started his reply to the Chief Minister on the Appropriation Bill 2017 –

Hon. R M Clinton: Mr Speaker –

Hon. Chief Minister: – in respect of a Facebook –

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Mr Speaker: Do you have a point of order?

Hon. Chief Minister: Let me finish the sentence – in respect of a Facebook post by me of 2011. I will now give way, Mr Speaker.

420

Mr Speaker: What is your point of order?

Hon. R M Clinton: Mr Speaker, I believe under the rules of debate there is a question of relevancy to the Budget.

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Mr Speaker: Relevancy?

Hon. R M Clinton: Yes: what has Facebook got to do with the Budget debate?

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Mr Speaker: There is a rule about relevancy: it is in the Speaker's discretion to decide what is relevant and what is not.

I can never recall an instance where the Speaker has ruled irrelevant any part of any speech made by a Member of this Parliament during the debate on the Appropriation Bill. If I am wrong – because I was not here between 1992 and 2012 – I would be grateful if that were to be pointed out. If I am correct in that no Member of Parliament has ever questioned the relevance of what some other Member of Parliament has been saying during a debate on the Second Reading of the Appropriation Bill, then it is because successive Speakers have felt that this is a debate on the state of the nation and that everything that arises during the course of debate should be allowed by them.

440

Hon. Chief Minister: Mr Speaker, I will tell the hon. Gentleman, in reply to the point of order, what is the relevance of Facebook. I am going to deal with the things that Mr Feetham said about my – (*Interjection*) No, I am putting my arguments on the point of order, Mr Speaker. The relevance of Facebook is that in the printed version, the fourth page of what Mr Feetham said, he dealt with my Facebook post of 2011 and I am about to deal with my Facebook podcast of 2011. It is a post – a podcast is a video post, Mr Speaker. He dealt with what I said on Facebook in 2011 and I am going to deal with what I said on Facebook in 2011, and therefore Facebook is relevant. But of course I recognise that they are in a very uncomfortable place when it comes to Facebook.

450

Mr Speaker: Now, Mr Clinton, yes.

Hon. R M Clinton: Mr Speaker, would you accept that the Appropriation Bill is no different to any other Bill and that you are still free to rule any way you please, regardless of what may or may not have happened in the past? I still make the point as to relevance and would ask you to keep an eye on relevance in the ensuing debate.

455

Mr Speaker: Well, of course I do keep an eye on relevance, and I had reason when I chastised Ministers the other day for the very lengthy speeches that they were making – three speeches taking three and a half hours. I made mention of relevance, of the need for relevance.

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I think the Hon. Mr Clinton said that this Appropriation Bill is different to other ... (**Hon. R M Clinton:** No different.) Is no different? Of course it is no different and relevance is applicable, but as I say, the attitude of Speakers over the years has been that they should be as liberal as

465 possible, and I certainly am not going to be the first Minister that tells a Member taking part in a debate to sit down because what he is saying is no longer relevant.

Hon. Chief Minister: Mr Speaker, I am exercising my right of reply. They raised my Facebook podcast of 2011 and the hon. Lady raised Facebook yesterday in the context of what she said, and I am going to reply to the things he said about Facebook and the things she said about Facebook and the things he said she said about Facebook and who he appears to be on Facebook, because I am exercising my right of reply, Mr Speaker.

Mr Speaker: May I say in that case what was irrelevant was what we were getting from Members of the Opposition; that must have been irrelevant. *(Laughter and banging on desks)* Before the Chief Minister's reply is irrelevant, exercising his right to reply, before what he says ... If what he says is irrelevant, it must be in answer to what Members from the Opposition benches were saying, and that must have been irrelevant – and I allowed it to be said and I did not intervene.

480 The Hon. Chief Minister.

Hon. Chief Minister: Thank you, Mr Speaker, for the logic, because they need that lesson in logic, in particular because in the 2017 Appropriation debate the first thing that the Leader of the Opposition wanted to talk about was the podcast on Facebook of 2011. How could the podcast of 2011 be the first thing he wanted to talk about, Mr Speaker? **(Hon. J J Bossano:** It's irrelevant.) I fail to see any abject relevance, except of course that I have not had time ... Because I try and treat this Parliament with respect and prepare for debates here as best as I can, I have not had time to check what Michael Bane had to say about that podcast. *(Laughter)*

485 Mr Speaker, the Hon. Leader of the Opposition tweeted yesterday, or retweeted, Mr Llamas's Budget speech and the following GSD tweet – the position of the GSD, one assumes:

The Budget is a fiction and farce. It is imperative that the GSD vote against it and retain credibility and not be tainted by supporting it.

490 So he was saying the GSD it is imperative vote against the Budget – the GSD. I do not think he had watched *NewsWatch* when he did that, Mr Speaker. But it must be great to be him – well, whoever he may be today. It must be great to be him because he obviously lives in a world where everything everybody does which is a good idea was his idea: his ideas for Bayside, his ideas for the Victoria Stadium, his ideas for Rooke, his ideas for Europa. He is the most deprecated person in history, he has the best ideas in Gibraltar and we do not realise how good he is – except I suppose we do not even know *who* he is anymore. People who are watching what is happening in Gibraltar can see that all he wants to do is claim credit for everything that goes right, and that is why, I assume, he started by saying that this debate had been turned into a farce. He said it was a farce because of borrowing by companies. Well, Mr Speaker, we know that he was a Minister in a Government that created the trading web of companies, and we know that other Leaders of the Opposition have said that before, but nobody has said it is a farce and nobody has decided to vote against as a result of that.

500 So it is a farce, I suppose, for the GSLP to continue the practices of the GSD. What a scratched record, Mr Speaker. I have not heard him say anything different in the past four years since he has been Leader of the Opposition in this debate. With him I always wonder whether he knows what he is talking about, but in grammatical terms does he know that the *Oxford English Dictionary* defines a farce as 'a light, humorous play in which the plot depends upon a skilfully exploited situation rather than upon the development of character', or 'humour of the type displayed in such works' and 'a foolish show, a mockery of a ridiculous sham'? I am guessing he was reaching for the third definition, because character is not something that people associate with him. And I think that is certainly the best way to describe what unfolded – after he got up,

not before: an utter farce, because no sooner had he started than he was talking about Facebook. Little can he have imagined, I assume, what relevance Facebook would have had by the end of the debate 48 hours later.

515 But it was my Facebook post that he was talking about, Mr Speaker, because I post on Facebook in my own name. It was six years ago, it was nascent technology. I put the video up on Facebook – I was the Leader of the Opposition then – and the House was already aware of the Facebook post because it was actually debated in this House. I posted on Facebook in July and the Hon. the then Leader of the House, the Chief Minister, Peter Caruana, put a motion down to
520 debate my Facebook post and nothing else in September. He called it a grubby Facebook post. (Hon. N F Costa: Hear, hear.) How could it be grubby? It was in my own name – it is grubby to do things in somebody else’s name, Mr Speaker! (Laughter) That is grubby, Mr Speaker. It is not grubby to do things in your name. And then we came here and I was told I was unfit to govern because of my Facebook post in my own name. I do not think Peter Caruana would say today
525 that I am unfit to govern, but I will not say that others are because I said then that I thought it was improper that somebody should say you are unfit to govern – it is up to the people of Gibraltar to decide who is fit to govern, not to the person who wants to continue governing. But the good thing about this post, which I put on Facebook in my own name, is that it is never going to go away. And I do not take it down, I keep it there, because it gets more likes every year. At
530 about this time of the year it gets a lot of likes and it gets a lot of views. At least it is me, Mr Speaker, that puts these things up and I do not do so in another name that might become the bane of his existence in the long term. I suppose for him these days when he powers up the PC and Windows says ‘Where do you want to go today?’ he just sees the words ‘Who do you want to be today?’ instead of ‘Where do you want to go today?’ Or maybe he uses Mac and those
535 issues do not bring a smile to his face.

But the surprising thing was that he was talking about issues of public finance but he has passed the portfolio on. Another one of the remarkable achievements that he has under his belt is that he is the first Leader of the Opposition not to deal with issues of public finance. He has passed that on to Roy Clinton. He is supposed to deal with health issues. The Leader of the
540 Opposition is supposed to deal with health issues and external relations – I guess the one thing that the Constitution says none of us is supposed to be involved in and we are all involved in all the time. He said a couple of sentences about the risk of Brexit, he was not here to hear Joseph Garcia, who is the Hon. Minister for Brexit, and he said a couple of sentences about Health, but nothing special – the things he had been saying for six months about morale etc., and the rest
545 was public finance.

Doesn’t Mr Clinton say that the chairman should not also be responsible for public finance? Or is it that he sees himself as First Lord of the Treasury, not the Chancellor of the Exchequer, but still with overall responsibility? Well, I do not know how he sees himself, because you see now my shadows on public finance are the hon. Lady and Mr Clinton. But on my Facebook post
550 never has so much been spoken for so long and for so often about something recorded so long ago. Therefore, I think he is probably now the first shadow Minister for social media, or the first shadow on social media. Some of the records he is breaking are magnificent for us, Mr Speaker – like, for example, when he has public meetings of his party and they have to remove chairs to pretend that they at least were able to get a few people into the room; or the fact that he has
555 lost two ladies in the context of two parliamentary terms; and he is the only leader in the history of Gibraltar to have had his whip defied twice.

But I think the important thing is that he has been the Leader of the Opposition – Leader of the Opposition, not Member; I will come to that in a minute – who has been absent for longest in the context of this debate. He has been here sporadically. Members can come in and out,
560 Mr Speaker, but if there is one obligation of somebody who says they are in leadership in this community, it is the Chief Minister’s obligation to hear every speech from Opposition Members to be able to exercise the right of reply and the Leader of the Opposition’s obligation to be here for the Budget debate if he is going to pretend to be able to deal with issues. I am guessing he

565 was professionally engaged and he had to be out of here. I understand that there were issues in
the court in which he was involved, Mr Speaker, maybe even important ones, but he always says
that his obligations here are more important than his obligations to his clients – that is in the
Hansard – when he wants to pretend to be the best leader of all time. But when it comes to not
the nation’s but his own, he has to be in court and not here. Sixty thousand pounds for a part-
time job is not enough to keep him here in the debate where we are going to vote him the
570 £60,000, Mr Speaker.

Anyway, their ostensible reasoning, after dealing with my Facebook post and everything else,
for voting against is that we have £772 million of borrowing via Government companies. We do
not accept those figures and I will deal with them in great detail in the context of my response,
but let’s just start with a couple of sets of facts.

575 The Government has secured an investment in Gibraltar of £300 million. The House and the
community know about it. Do they know about it because Inspector Columbo and Inspector
Clouseau have been able to unearth it? No, Mr Speaker, they know about it because I got up in
this House in the context of this debate last year, just after those agreements had been inked,
and told the House, and because I took them to a meeting where I explained the detail of it with
580 all the professional advisers present. So there is nothing hidden in companies. How can you
sustain the argument that something is hidden when the person you are alleging the hiding
against is the person who told you under the glare of cameras, Mr Speaker? It is not as if I told
them somewhere and they can pretend to have found out where we were not heard; I told them
here. So where is the hidden £300 million? And I told them that I will tell them when we are
585 going to invest that money, because it is going to profit Gibraltar – and I will come to the detail
of the numbers in a minute.

Second fact: the Government of Gibraltar has created Credit Finance Company Ltd to invest
the money of the Gibraltar Savings Bank. Why are we doing that: in order to produce the returns
to pay the depositors their interest of 6%, 5%, 4%, or whatever it is. How did they do it –
590 because they invented the pensioner’s debenture at 5%, Mr Speaker: they did it by taking the
interest out of the taxpayer’s pocket and paying it to the saver. We think a more prudent thing
to do, whilst always retaining the possibility of using the taxpayer’s pocket – because that is
what the law says – is to try and get the money to work for that 6%. We told them. How can it
be hidden? Neither Columbo nor Clouseau have worked that out: we told them.

595 Mr Speaker, they have come to this House – and Mr Clinton in particular, and I will take him
through it – to say, ‘I have discovered the secrets filed in the public register.’ If that is not a
nonsense, nothing is, but to use a nonsense as a pretext for the most reckless parliamentary act
in the post-war history of Gibraltar really demonstrates what must be bad faith, because if we
had sought to hide something we would not have filed public documents about it. We would
600 have done what they did. We would have said, ‘Well, the law says that we have to file things in
Companies House – let’s not file them,’ because the law said that they had to file accounts of
Government companies and we are still trying to reconstruct them, although I will come and tell
them a little bit about that in a little while, about the accounts that are ready.

So the idea that the Opposition is somehow being denied information is an utter joke of
605 Peter Sellers style proportions, Mr Speaker, and the idea that we are giving them less
information ... Not only do we come to the House every month, not only do we give them
information – our Budget Book, the Budget Book that they say discloses less information, has
256 pages of information; their last Budget Book has 190. I should be saying to them, ‘Where are
the other 60 pages of information that we should have had?’ Where is the hidden information
610 and all the statistics that we put online? They do not even have to ask the questions. We had to
ask for that information and sometimes we did not get it. We put it all online every month, and
if it is not put up in a particular month let us know and we will put it up. More information, more
detail, more transparency. Mr Speaker, we are putting online statistics since January 2012
dealing with everything that we used to ask about in this House on the Care Agency, on Credit
615 Finance, on culture and education, on electricity and employment. I could go on. I could read the

list – it is a whole page of information. They do not care, do they – they do not go and look at it, because they do not ask us questions based on the information. They do not crunch the numbers; they just want the numbers. Well, there they are, they can have them. They can have the additional information in the Estimates Book and they can have all of the statistics. We used
 620 to have three chances a year to ask a question, sometimes two in an election year. They say, ‘Well, no, this is a matter of principle.’ It is only the indignant middle class that can take that attitude, Mr Speaker.

So let’s look at the principle, borrowing via Government-owned companies, and let’s start with where the GSD would have taken this community if they had won the election in 2011 – the
 625 stated policy and the things they did not say in the election campaign that we found out later: £1.4 billion of borrowing, in a deal that was entered into with Gibraltar Land Reclamation Ltd which would have given them 1% of the value of the contract, which would have been indirect – in the way that Mr Clinton describes it – off balance sheet borrowing, added to the £520 million that the community already owed and the balance of car parks borrowing and the balance of the
 630 hospital borrowing which they had done in 2002-03, would have put this community, if the GSD had won the 2011 election ... goodness knows if they would have won the 2015 election after that as well ... and their power station deal with the 5% escalator ... £2 billion of borrowing by the middle of that term under the GSD. Work that out per capita if you want to panic and scare people, Mr Speaker. That is what they stood for in 2011. That is the mathematical equation that
 635 people need to have in their heads when deciding whether they are prudent or not. That is what was hidden and ready to be done, and the increase in the borrowing powers that they were going to come to this House for by a resolution.

But this book, Mr Speaker, that we are debating today is the recurrent expenditure of the Government. There is now some recurrent expenditure in Government companies – that is true.
 640 It did not start in 2011, it did not start in 1996; it started after 1996, Mr Speaker. There is recurrent expenditure in Government companies because the GSD created that, and Mr Clinton was in the executive of that party and Mr Feetham ... He was not in the executive of that party? Well, at some stage he was in the executive of the party, because I remember him being thrown out for rightly defending the *New People*, and Mr Feetham joined that party. They kept the
 645 Principal Auditor away from that Government company recurrent spending and they allowed those Government companies, what is worse, to accumulate huge losses: £100 million in 2011, the £87 million that were accrued by the time that we won the election and the additional amount by the end of that financial year, certified by the then Financial Secretary. You can add that to the £2 billion: £2.1 billion would have been outstanding under them. So companies with
 650 borrowing and companies with losses under the GSD.

All of the spending of Her Majesty’s Government of Gibraltar is in this book. That is why it is here, because it is the spending of the Government. The spending of the Bus Company is in the Bus Company. That is how they put it; that is how *they* designed it. They defended that in the election and they have the gall, having been about to put Gibraltar at £2.1 billion of direct and
 655 indirect debt, to say that we are taking Gibraltar to be like Greece. Mr Speaker, they must have been greased lightning, because if we want it to be £772 million of borrowing – wrong figure, but that is the number that they want to give through the companies – plus the £300 million, £1.1 million he said, and they were going to be at £2.1 million and we are Greece, what are they?

I suppose he is thinking, ‘Keep talking, oh, keep talking.’ Mr Speaker, we are not Greece. We are not about to fail. What they have said in the context of this debate is utter tripe and they know it, because Greece was in a situation where it could not pay civil servants – not because of a quirky vote in the parliament led by some beige accountant that decided not to vote the money to pay the pensions. They could not vote to pay the pensions because they did not have
 665 the money. They could not pay the civil servants and the pensioners because they did not have the money. They could not rescue their banks because they did not have the money. We are not

Greece, Mr Speaker, and we are not Bermuda either, where costs spiralled in the whole of the economy and tourists would not come because the hotels became too expensive.

670 Everything they say is tainted with negativity in an attempt to negatively taint the
Government. It is clear that the hopes and dreams of the Opposition are not for Gibraltar's
success, they are for Gibraltar's failure. They have tried it with the Savings Bank. They have done
everything in their power to create what is known as a 'run' on the Savings Bank. They have
done everything in their power for people to lose confidence in the Savings Bank, a 130-year-old
675 institution, and in Joe Bossano, a 78-year-old institution and a very robust one at that,
Mr Speaker.

Minister for Health, Care and Justice (Hon. N F Costa): Safe as houses.

680 **Hon. Chief Minister:** Every time the hon. Members speak you can detect the deepest of
desires to see the failure of Gibraltar's financial system and to try and ride that to glory, to
political victory. And yet the only thing that they have told us that we should not have done is
the refurbishment of No. 6, which was a capital project four years ago. But he must realise that
in making the arguments they make about the information in the book, the credibility of the
685 numbers etc., they are not attacking me; they are attacking the Treasury, the civil servants in the
Treasury, the civil servants in the Income Tax department who report the income from the
Income Tax Department, the civil servants in the Customs department who report the income
from the Customs department. They are challenging the credibility of the Financial Secretary and
of the people who work with him. Mr Speaker, the work that goes into producing the Estimates
of Expenditure for Gibraltar every year is huge and the people who do that work under the aegis
690 of the Financial Secretary – this one and the previous one, whom I have had the pleasure to
work with – are the most dedicated, most stalwart defenders of the veracity and credibility of
the numbers that go in that book that one could imagine. They take their responsibilities
seriously. They give up family time, they come in at weekends, they stay very late at night. They
get stressed about making it right. To come here and to be told that the numbers are lacking in
695 credibility ... These are good people, Mr Speaker; they do not deserve to be spoken of in this
way. This is not an attack on me. I receive the book. With Ministers we look at the expenditure
we are going to do, we look at the policies to create more revenue – but I receive the book. I
sign for it as well. It is my political responsibility but it is the work of some of the most dedicated
people that you can imagine, Mr Speaker. And then trying to say, 'Well, our attacks are just
700 political attacks on Picardo, not on the civil servants,' does not wash. It does not wash. They are
calling that work unreliable, they are calling the numbers fictitious, they are calling everything
about this debate on the Estimates fake. Well, the only thing that is fake is his Facebook profile.

Let's just get a flavour of how made up, contrived and contradictory they are when it comes
705 to the arguments that they put. The Leader of the Opposition has said that we need to invest
more in jobs and less in suspension bridges, and Mr Llamas says we need to invest more in
tourism as that will create more jobs. So which is it to be? The suspension bridge is a new tourist
attraction. We agree investment in tourism creates more jobs. That is why we have spent a
collective £7 million in the last five years on the Upper Rock as a combination of recurrent
expenditure and capital expenditure. But there are sometimes such differences between the
710 things that hon. Members on the other side say when they are supposed to be representing one
point of view that you could drive a land rover between them, Mr Speaker. That is how divided
they are.

He tells me that he meets so many people who break down in his offices, crying because they
715 have not got jobs. Mr Speaker, the figure for unemployment as at the close of business last night
in Gibraltar is 84 people. It is only the quarterly average, which we think is an accurate reflection
of the position – that is the number that tells us where unemployment is going – but the number
of people registered unemployed in Gibraltar last night is 84. I guess there might be 84 people
coming to see him to cry – and I am the one who says whilst there is one Gibraltarian

720 unemployed I will be fighting to ensure that he has a job – but there were 1,300 when they were
in Government, some of those in a scheme, some of them not in a scheme, the ones in a scheme
earning half the minimum wage, 400 completely out of a job, with Luis Montiel, then the
Minister for Employment, spending his days at the Lunchbox at Europort smoking, not going into
the office. That explains it. So when it comes to unemployment he should not pretend to be
teaching us any lessons. I remind him that he used to say that 300 was full employment. It would
725 be nice if he congratulated us for reaching the figure that he said was full employment, whilst
urging us to continue to look for a job for absolutely everyone, which is what we think should be
the case because we do not believe in the concept of the unemployable, which was a principle
introduced into Gibraltar politics by them.

But pull the other one, Mr Speaker – it has got a fake profile on it – that there are people
730 coming to see him in tears. Or is it that we should believe the things that he says about
unemployment, about the Estimates and even about the media? He says that there is a ring of
steel around the Government, that the media does not ask me difficult questions, that they do
not report the things he says. Well, there are some media in Spain with which they have become
very friendly recently. They report everything they say and none of what we say. Maybe they
735 have got a ring of steel around that media. I understand that the ownership of that particular
media goes all the way up to the top in Spain, and they collaborate with it so effectively and so
frequently. What have the journalists of Gibraltar done to them? They report what is going on.
Sometimes they do not issue press releases. There are days when they do not issue press
releases and they complain about the ring of steel. Well, the Government is 5,000 people
740 working for Gibraltar. There might be three or four press releases in a day; they might be
reported in all the media. *They* do not issue anything, so there is an item of Government press
release in a piece of media and they say this is evidence of the ring of steel.

Mr Speaker, he gets paid £60,000 – he should do a bit of work, although I really believe that
the more the media give him an opportunity to speak, the better. Jonathan Sacramento
745 interviewed him and that is where he said that £60,000 is not enough, it is a part-time job and ...
The more we see of him the better it does for our re-election chances, Mr Speaker. But between
him and Mr Phillips, both of whom have hardly been here, there is £100,000 of spending in this
book. Do a bit of work, issue more press releases and you will get in the media – and maybe less
photographs of the frontier fence or of any other security issue that you might come across.

750 Mr Speaker, I am about to move on to dealing with issues relating to the few things that the
hon. Member said about the GHA, so if this is a convenient moment I might offer people a
comfort break.

755 **Mr Speaker:** Yes, I think the House will now recess for about 10 minutes to have a comfort
break.

The House recessed at 11.30 a.m. and resumed its sitting at 11.45 a.m.

**Appropriation Bill 2017 –
Debate concluded –
Second Reading approved**

Mr Speaker: The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Thank you very much, Mr Speaker.

760 I was saying that the unemployment last night was 84 – before I came to the ring of steel. Of
course, we think that the only figure that is reasonable is the quarterly figure – that is the figure
that we give and the figure we will continue to give – but I thought it was important in the

context of the snapshot of the moment in time, given the rivers of tears that we are alleged to have to suffer in College Lane.

765 Mr Speaker, the Gibraltar Health Authority is the highest spending Department in the book. It is almost one fifth of the Government's recurrent expenditure. All of the expenditure of the Gibraltar Health Authority is contained in the book, nobody suggests that it is not, and yet the Shadow Minister for Health has not raised one number in respect of the expenditure that the excellent Neil Costa is going to be presiding over in the context of the provision of health services in Gibraltar, not one. But they are going to vote against the book. They are going to vote
770 against giving people cancer care. They are going to vote against A&E. They complain about waits at A&E: imagine how long the wait at A&E would be if they voted against the Estimates and they were able to succeed in persuading people to vote with them. That would really do, Mr Speaker, for morale in the GHA, wouldn't it, if you shut the GHA down?

775 It was really quite something to see the leader of the political party where morale is obviously lowest amongst the troops – and, Lawrence, do not let them intimidate you behind the door, you do what you think is right – the party where morale is lowest - talk about morale in the GHA and to use as the crutch for that argument a survey that a doctor organised amongst other doctors. Well, okay, I think I could organise a survey that said that morale was high in this House, or I could organise a survey that said morale was low in this House; it depends on the
780 question etc. If you do things scientifically, then it has a different sort of effect. There has been a survey on morale in the GHA. The Hon. Mr Costa referred us to it in passing, but the important thing is that it was an objective survey of morale in the GHA conducted by Unite when *they* were in Government – in fact, in 2006, just before he took to the airwaves to defend the GSD Government and everything they did and became a candidate for them for the first time – and that demonstrated the lowest possible morale in the history of the GHA under the GSD.
785

Mr Speaker, the pay scales for nursing in Gibraltar for a staff nurse start £4,500 up from where they are in the UK. The pay scales for a staff nurse in Gibraltar end £7,000 up from where they are in the UK. The pay scales for a nursing assistant start £2,000 up from where they are in the UK and end £2,000 up from where they are in the UK. Morale is not just about money, but if
790 you ask people at the GHA objectively where morale is, you will not get the results that you would get if you conducted the survey in the GSD.

Mr Speaker, given that he is the Shadow for Health and he said almost nothing, given that he is not able to keep a team together because the hon. Lady has gone, given that he is not even able to muster a vote of the people who sit with him in this Parliament on something that he has
795 said is imperative, I find myself in the very difficult position of having to say to him that he must consider his position. It is unfortunate, because every day that I meet people they tell me that whilst he is the leader of the GSD we are safe in Government. In fact, so many people tell me, it is starting to ring true. The man is demonstrating that he has the inverse Midas touch. He has taken a party that was an election-winning machine and turned it into a machine that cannot
800 even vote together.

I came into this debate wanting him to stay as leader of the GSD – until he did the ridiculous thing that he did in saying that they should vote against – because people tell me I am safe whilst he is leader of the GSD; but I hear, sometimes from those who sit very close to him, that they do not want him for leader and that they are marking time to circle for the kill. I hear that
805 there are people coming back to the GSD – people who sat with him on GSD benches and people who sat before him on GSD benches – not to support him but to use him as a prop. As people colloquially say in Gibraltar, *para que pierda la siguiente y darle el hachazo y ponerme yo de Leader*. Well, until we came into this debate I had his back. I was the person who would have done all the machination necessary to stop anyone from removing him, (*Interjection*) but given
810 what he has done in the context of this debate and his disregard for the interests of Gibraltar, the sooner they replace him the better, even if they replace him with somebody who has better electoral chances than he ever will, because of the irresponsibility that he has demonstrated in the context of the introduction of his speech.

815 But going back to Facebook, the attempt to get people to vote no and the failure to listen to the advice of Peter Caruana in 2014 and allow himself to be persuaded by Mr Clinton demonstrates, if not a bad faith and a disregard for Gibraltar, then a deep lack of judgement in following the views put to him by Mr Clinton.

820 Moving on to Mr Clinton, Mr Speaker, the whole argument that he puts is not whether something is good or bad; it is about where that thing is. In other words, Mr Clinton is not saying – because he is not developing the argument – debt is good or debt is bad. I assume that he takes the position that Joe Bossano takes, that debt can be good or debt can be bad – debt to pay recurrent expenditure as a noose that gets tighter round your neck Debt to invest, as Joe Bossano has always said – the golden rule of the GSLP – is not a bad thing. He just says, ‘That debt, on which I do not comment, should be on this book, not on that book.’

825 That is what the argument is about. It is actually just a technical argument, because Roy Clinton has not told us, ‘The things you are investing in, schools etc., are bad.’ They always talk about No. 6 Convent Place, he talks about the concert, but they do not talk about the rest of the investments. Of course not, because they want to make an argument but they do not want to tell the people who are beneficiaries of the investment that we are making – in schools, in the hospital, in all the things that the Government is investing in – that they are saying that we should not invest in them. They just want to say, ‘There’s debt: it’s here, here and here, and therefore it should all be here.’ The debt is the direct debt, the debt in Gibraltar Capital Assets and the debt in Credit Finance Company Ltd, the debt I told them about. And he just says, ‘The debt you told me about, Chief Minister, should be in the white book; it shouldn’t be in the separate books that you’re going to file for the company.’ That is what it is all about, and on that basis he is prepared to come here to recommend to his putative leader that they should vote against the estimates.

840 Mr Speaker, his contributions in this debate and in the year and a half that he has been in this House have been so grey that I am almost minded to start calling him Mr Grey, but anybody who has read or watched *Fifty Shades of Grey* might think that that is a bit too racy for him, (*Laughter*) so instead of calling him Mr Grey I am going to call him Mr Beige, because I think he is better represented as 50 shades of beige than he is as 50 shades of grey. Beige brings to mind that blancmange feel, that neither here nor there, that no clear distinction, because he does not say, ‘That debt is bad,’ he says, ‘That debt should be here, but vote against every penny of spending.’

850 There have been some great politicians with the surname Clinton, Mr Speaker. He is really letting the family tree down. (*Laughter*) Gibraltarians are world class at everything that we do – and once again, congratulations to the team in Gotland, who are doing a magnificent job and I look forward to seeing what they are going to do in Gibraltar in the 2019 Island Games when they are at home, with the investment we are making in sport, (**Several Members:** Hear, hear.) (*Banging on desks*) an investment Mr Beige might not like – but when it comes to producing Clintons, we are not producing world class. He is no Bill Clinton. The Hon. the Leader of the Opposition used to accuse me of having Clinton moments. Well, he has had a Clinton year, Mr Speaker, and look at where it has got him: one less vote. The game of politics is of getting more votes in the Parliament, not less.

855 Mr Clinton started in this debate this week with the constitutional point: ‘I’ve found a constitutional point which means we must vote against.’ Well, Mr Speaker, I am quite happy to let him have copies of the constitutional point exactly the same developed for the past 35 years, or 44 years, in this House, none of which led to the hubris of suggesting that people should vote against the Estimates.

860 He wanted me to give him a copy of the ruling that a Speaker had made in respect of conflicts of interest at the time that Sir Joshua was in Government and Sir Joshua had asked for a ruling, as if I had to give it to him, and he said, ‘You are not transparent because you won’t give me the ruling.’ I am not transparent because I will not give him the debt, although I am the one who told him the debt of the Government companies, and I am not transparent because I will not recess

the House, go in there, photocopy for him the book that lies in the antechamber with all the rulings, bring it to him on bended knee and say, 'Here you are, Roy – is this beige enough for you?' That is not lacking on transparency. That is him having to get off his posterior and get it done because that is what he is paid for, and if he has to go to the public register to find things
870 which are public, he has to go to the public register to find things which are public. He is not entitled to ask for things which are public. We are not his lackeys, Mr Speaker. We are here to govern Gibraltar for the good of all of Gibraltar, not to fetch and carry for him. He is not a bank manager anymore, who presses the button and asks for a coffee and a copy of whatever document he might like, or to be brought his daily beige friend, the *Financial Times* – a perfect
875 camouflage for him, Mr Speaker.

And then he launches into a tirade where he accuses us of lack of transparency, but goes further. He says that we are not operating by the rules or the rules do not work, although it is the Constitution that Peter Caruana said in 1991 could be moved by the people of Gibraltar to change things. It is the GSD Constitution. They accuse us of not having supported it enough
880 when it was put to referendum. It is *their* Constitution which allows these things which *they* were doing. But he says – and this is where it starts to get very nasty indeed, Mr Speaker – that there is some alchemy or sleight of hand. Those are accusations, veiled accusations of dishonesty, Mr Speaker. In case he did not watch the magnificent episode of *Black Adder III* that dealt with alchemy, it is a truth universally accepted now that alchemy is not possible, and so
885 therefore if we are reporting gold it is because there is gold, not because there is coal that we say is going to be turned into gold and not because we have civil servants or a Treasury that allow us to deposit coal and report to us that there is gold. These are real results, not deserving of the shoddy treatment that he has purported to give them and the attempt at casting them as somehow dishonest.

But the quantum leap that the GSD have taken in the context of this debate is not just to say that they will vote against the Estimates – 'they' such as they may be. It is to move from the Canepa, Bossano, Caruana position, perhaps even the Picardo position in the context of the analysis that they do, although I do not accept it, that we *could* go bankrupt because of certain policies – it is part of the lexicon of political debate and, as we have seen, it has been since 1971;
890 they have said that we *are* bankrupt. They have said there is no surplus. Let me do a calculation to show you there is no surplus. I will demonstrate, Mr Speaker, that the calculation is wrong and that there is surplus, but I will not allow them to get away without having the spotlight put on the effect of what they said, which is that they reported to Gibraltar that their interpretation of the Estimates Book of Gibraltar is that Gibraltar is currently bankrupt. Their well-connected
895 Spanish press friends will report that with glee, I have no doubt. They would be wrong to gloat, as they so often are in relation to Gibraltar.

That nonsense argument is followed by an idea that we should be prudent. Well, the first prudent thing to do in an economy is not to talk it down. (**Hon. N F Costa:** Hear, hear.) The first prudent thing if you want Gibraltar to prosper is not to say that Gibraltar is bankrupt. He talked
905 about his article in *The Chronicle* where he famously accused me of cheating. Rightly, Members of the media said to him, 'Well, look, you talk about the level of discourse in Gibraltar and you have just accused the Chief Minister of cheating. How can you complain when he comes harder back at you?' That is what his style is, Mr Speaker, his pernicious pen writing mendacious articles on beige paper, and he says in the context of that, 'It's that the Principal Auditor cannot audit
910 these companies. That is absolutely terrible. It cheats the system.' Well, look, if it does, can he please, instead of giving me a hard time, write Her Majesty the Queen a letter and ask her to remove the knighthood from Sir Peter Caruana, because he invented it and one of the reasons for which it was brought was for the prosperity that he ushered in. Or maybe it is that, because of that day he threw him out of Europort for the *New People*, he does not just dislike me, he also
915 dislikes him and he is not actually just talking about the GSLP in the context of the way that he attacks us, he is actually attacking also the old GSD.

920 He said that our public finances are like an iceberg. Well, it is funny that one of the people on the bridge of the *Titanic* should finally have seen the iceberg, Mr Speaker. It does not feel to me like Gibraltar is the *Titanic* – Gibraltar is steaming ahead; it seems to me that there are more titanic problems in the GSD than there are in Gibraltar.

He is so presumptuous that he even called Mr Feetham his ‘learned friend’. That is an unfortunate preserve of those of us who are learned in the law, Mr Speaker. I am not posh and I do not stand on ceremony, but only other lawyers call lawyers their learned friends.

925 The disrespect to the Estimates Book, to the people who prepare it, this Parliament, this nation and the history of this Parliament and this nation in denigrating the work done and arguing that it should not be supported by the House is incredible. Let me be clear, Mr Speaker: there is no artificial income in this book, our accounts are not flattered, the surplus is real and tangible and it is reflected in the available cash reserves, and we have very clear plans to deal with what they are now calling direct and indirect borrowing, our indirect borrowing as they

930 term it and their indirect borrowing. Or is it that he wants to forget the amount of indirect borrowing that we found when we were elected, let alone the indirect borrowing that they were going to enter into, leading to £2.1 billion in total of borrowing?

Mr Speaker, you would have thought that he had forgotten that our manifesto commitment – and he seems to be a bit of a worm when it comes to making sure that he is in the detail of our

935 manifesto – is to have a net debt of zero by the time of the next election. It is not theirs. (*Interjection*) Yes, indirect borrowing, zero. He has forgotten that. He says, ‘We don’t know what your plans are.’ Well, look, our plans are designed to be self-financing, like in any loan that is taken.

Let’s look at this idea of the artificial surplus and the Government flattering the books. In fact,

940 all he did was really analyse the surplus. He could not debunk it, however hard he tried. You can do anything with numbers, if you like, as he knows; and so, faced with a magnificent performance of the Gibraltar economy as reflected in this book, he says, ‘Right, what can I do to try and get from £78 million down to zero?’ It is a bit like that lady on countdown, Mr Speaker, where you put a number on the board and you try and get it to another number, and he needed

945 to get 78 down to zero: divide by 34 ... How did he do it? Well, he had to become pot calling kettle black because he had to go against all the things that they had done themselves. But he did something which I did not expect an accountant to do. He confused recurrent expenditure and capital expenditure, and the attack was on the basis of us doing what they had been doing by continuing the practices that were there at the time that we were elected – and all of it on

950 the veneer on a lack of transparency. The credibility of that I have already shown is not to be taken too highly.

He forgets that Parliament is here to deal with issues which are not public. In other words, things which are public he has to go and get, things which are not public are to be debated here. And all of that is relevant, all that I am bringing back which I have said before is relevant,

955 because when we were in Opposition we did not find out about the borrowing of the car parks company, because they did not file anything. We found out accidentally. (**Hon. J J Bossano:** Yes.) We did not criticise that. We found out what it was for and ... What we criticised was that the money they took when they mortgaged the Treasury was to invest in a private project, not a public project – to invest in a project of a company that was well known to be close to the then

960 administration: the purpose of the loan, not the existence of the loan, Mr Speaker.

And so when he is doing the account that he tries to do, he does not say – and that must be disingenuous because he wants to pull the wool over people’s eyes – that part of the numbers that he is adding are numbers of borrowing taken when they were in Government. So he says it is terrible the borrowing the GSLP have today in Government but he ignores that part of that

965 was taken by them. Forget the system, which I have shown is a system inherited from them, the numbers actually reflect numbers taken from them at not very attractive rates. And then he criticises us because I said that we were going to invest as a Government in the Shell project and now it transpires that the investment has been done in a different way. Well, what is it that he

970 wants: he wants me to tell him early on when we are thinking of doing things or he only wants
me to say things once they have been inked, which is what he has said in the House today, or
yesterday when he spoke? Because if I speak early on and the final legal structure of ownership
is not determined but it is the Government that is considering these issues, and in the end we
decide to interpose an SPV to own our shareholding, he says, 'Ah, you said the Government and
you've done it another way'; if I tell him once I have just done things – like I told him in the
975 context of this debate last year, 'We have just entered into a transaction for £300 million and
this is the first meeting of the House after we have inked it,' – he says, 'You should have told me
before.' I just do not know. The goal posts move so much that it is impossible to have a rational,
intellectually valuable debate. Zero logic. But look, we will deal with it on the basis of what his
last statement has been: only tell me things once they are inked. When he asks me next time
980 about any of the projects that he asks me about every few months, I will say. 'Not inked yet,
Mr Speaker.' That is it, because that is what he has asked me to do.

But in coming up with the figure of £246 million, which is the amount that he said was the
flattering of the accounts that had been undertaken, he has given this snapshot over the past
few years but he does not have the decency to say, 'This amount was incurred in this year and I
985 am reflecting it against a surplus in the current year, and so therefore it is not related.' So the
£246 million is a cumulative amount and it is not something therefore that is directly related to
the £78 million surplus. So he must know that he is being disingenuous. But he fails to identify
that the movement of money has not just been in the direction of the Government from
Government companies, which he says is the sin – he says the sin is flattering the accounts of
990 the Government by taking money from the companies; he fails to identify just how much money
has gone from the Government to the companies, therefore unflattering the accounts.

I think people in this community, Mr Speaker, are clever enough that when they have it
explained to them they will understand exactly what it is that has gone on, because, as the
Chairman of the GSD said, the electorate in Gibraltar is very intelligent, exactly the same
995 electorate that left him out of this House, I suppose – very intelligent indeed, Mr Speaker.

But the reality that they do not like to admit is that when we were elected in 2011 there was
an advance of around £87 million on 9th December due to the Consolidated Fund by the
Government-owned companies. That is to say there was a hole in GSD Government company
funding of £87 million, because in that way the Government of the GSD had spent money in the
1000 companies without having to put any Government money in and therefore flattered the
accounts as at 9th December 2011 by £87 million. So they had £520 million outstanding of gross
debt plus £87 million of company debt – plus the borrowing of the companies, which is different.
The companies owed the Government £87 million and the companies had taken loans. So, when
we found that, Mr Speaker ... and Mr Bossano spent a very bad Christmas that year when he
1005 found that hole. If you just take that figure, the £87 million – you forget about the GSD
Government company borrowing, just that figure wipes out the surplus of the GSD for the three
years before, if you were doing it in the nonsensical way that the hon. Member was doing it, of
taking surpluses in the year and taking all of the cumulative amounts of the other years and
trying to create some link. But he knows that it was nonsense. I had intellectual respect for him
1010 until he came up with the ruse of voting against the Budget and managed to persuade the
character to his right to follow suit. That would have completely wiped out the surpluses. I have
the doomsday memo from the Financial Secretary to show it.

What did we have to do? We had to deal with the position, and in order to deal with the
position we had to give funding to the companies. So we had to take money from the Estimates
1015 Book and put it in the companies. He is complaining that there is money from the companies
coming into the Estimates Book and he is saying it is £246 million. It is not in one year, but he is
pretending that it is. So let's do the exercise of demonstrating to him what has gone the other
way, what has gone from the Government to the companies. I reckon he knows, because despite
him saying that there is nothing in here, he has read every figure, I am sure, and he has read
1020 every figure for the year before and the year before and the year before. And if he has done

that, which he should have done if he has pretended to do the exercise that he has told us that he has done, then he would have seen what we have pursued as a prudent policy to get rid of the hole in the companies – in other words, to fill the £87 million, which was £100 million by the end of that financial year, and to not let it accrue again by giving the companies annual
1025 payments. It is in here, it is the £25 million by which we reduced the surplus. If I wanted to flatter the surplus GSD style, the first thing I would do is I would stop giving the £25 million, then I would have declared a surplus this year of £103 million, but I give the £25 million to the companies. How much have we given? I know he is getting nervous now, because this is the big
1030 reveal, this is the moment when I will show that what he was saying was the case was actually the opposite. In 2011-12, at the end of the financial year after we had been elected, we gave £72 million of capital to the companies and £28.3 million of recurring; in 2012-13, £40 million of capital and £17.7 million of recurring; in 2013-14, £40 million of capital and £20 million of recurring; in 2014-15, £9.1 million of capital and £25 million of recurring; in 2015-16, £16.9 million of capital and £25 million of recurring, and £6.8 million to the University; and in
1035 2016-17, £1.8 million to the University and £25 million in the recurring. Not the numbers here, what we have given already.

Has he done the numbers? Has he done the maths? Or are his fingers shaking too much? £326,600,000 more money has flown from the Government to the companies than from the companies to the Government, so his attempt at a purported alchemist is demonstrated to turn
1040 to coal because the argument with which he must have excited the Leader of the Opposition a lot to persuade him to change the practice of every Opposition since the 1969 Constitution at least, is utter nonsense. It is wrong. The numbers are in the books and he should have seen it, and if he did the exercise one way he surely has seen the numbers there. Is he going to give me a credit of £326 million when he was trying to take away the £246 million? Or shall we just agree,
1045 in a collegiate style across the floor of the House, to net it off? I am quite happy to net it off, because it is £80 million net for me. It is £80 million net gone in the wrong direction: £80 million net has gone from the Government to the companies. It is £80 million unflattered in the Government accounts, and therefore the calculation is wrong. But he did it. He said £246 million extinguishes the £75 million. Add £80 million to the £75 million, if he wants to do that futile
1050 exercise, which is irrelevant.

Mr Speaker, then he went on to this business of transferring properties of Government companies, so transferring properties to Government companies, and the value that we get for that and the stamp duty that we get for that. Let me deal with the value first. The correct thing to do, in keeping with general accounting principles, in keeping with the rules, is to transfer for
1055 value, not for nil value, but it was the GSD's practice to transfer at zero value. But if you transfer at zero value, the transaction is invisible. And then imagine, Mr Speaker, if I were to take a Government property and alienate it into a Government company at zero value, there would be nothing seen in the accounts. And then if I were to take that Government company and that asset and either alienate the asset again or transfer the company to a GSLP supporter, it would
1060 be invisible. We did not do that, we did things at real value; they did it at zero value. And why did the Principal Auditor have no oversight of these things, Mr Speaker: because the Constitution that they created did not give him that oversight. With the assets transferred at zero value from the Government to a company, the company can then use the asset to raise money and spend that money. And you can guess what happens then: that money is spent by
1065 the company without parliamentary oversight. That is the ruse the GSD created. If you transfer Government property for value, the value comes into the Parliament and the Parliament then decides what happens to that money.

So what is it that they are complaining about? We discontinued the transfers at nil value and we introduced transfers at real value, with the consequence that stamp duty is payable because
1070 that is what the law requires – but we will come to what the law requires and what the GSD did in relation to the law. This was not a bending of the rules, you will see, Mr Speaker. And as an accountant he should understand that when you transfer an asset, if you continue to have use of

1075 it you have to pay a real market rent for it. They must understand it, Mr Speaker, because if
there was a Government that introduced that concept, it was the GSD. The Government of the
GSD introduced the sale and leaseback principle when they sold the hospital for £8 million and
rented it back. I think the running total is closer to £54 million we have paid now for an
£8 million property. I will come to the numbers – I have them here. I would still like to know, and
I have not found out yet but I am looking, who earned a commission on that sale of £8 million of
the hospital. I am still looking hard, Mr Speaker. And they did it again with car parks, so they sold
1080 the car parks and paid rent for the car parks. Sale and leaseback. They now seem to think that
this is a huge sin – well, they should say at least a few Hail Marys themselves. So, if anything, we
are paying rent and that unflatters the recurrent expenditure budget of the Government; it
makes it bigger, therefore the surplus goes down. The capital goes to the pink pages, to the I&D.
He was confusing all of that. And, of course, all of this they did without auditing the accounts of
1085 the companies that they transferred Government property to at nil value. Having said, as I have
shown, that they would when elected, they then omitted to do so.

This week, after much effort, with many more to come, the directors have signed the
accounts for Gibraltar Residential Properties Aerial Farm Ltd, Gibraltar Residential Properties
Bishop Fitzgerald Ltd, Gibraltar Residential Properties Coach Park Ltd, Gibraltar Bus Company
1090 Ltd, for 2014; and for 2015, for Gibraltar Co-ownership Company Ltd, Westside Two Co-
ownership Company Ltd, Brympton Co-ownership Company Ltd, and many more which are
being completed. At last, after so many years of the GSD failing to compile accounts, all of the
company accounts are going to be put on a proper footing, something which they denied the
public – all of them.

1095 So, doing things at proper market consideration is not to flatter accounts; it is to comply with
the law. It is to put the money in the capital account, where it should go; it is to allow this House
to see what is happening. It completely skews his allegation that we have done anything which
avoids transparency, quite the opposite – they were avoiding transparency with these transfers
at nil value and then they did whatever they liked in the companies. This is complex, it is
1100 sophisticated, but, whether they like it or not, Gibraltar is a £1.91 billion business and it has to
be run in a sophisticated way. Otherwise, if we just do things in a linear way, it is not going to be
positive for the taxpayer because this is a sophisticated society. He was a banker – I assume he
was involved in sophisticated finance. Or is he the only banker in financial services in Gibraltar
who did no sophisticated finance? I can think of one sophisticated thing he did which then
1105 ended up in the courts, Mr Speaker.

Anyway, compare and contrast. The GSD transferred properties to companies at nil
consideration, paying no stamp duty. Once in the companies, they then mortgaged these
properties and raised funds. They did whatever they liked, but it was all hidden from the
Parliament. Compare and contrast the GSLP. The GSLP sells the properties to the companies at
1110 real value. The real value comes into the book and the spending of that money is subject to the
control of Parliament. Simple, Mr Speaker. If it were not that case, he would not have been able
to come up with the figure of £246 million. It is a case of *res ipsa loquitur*: the thing speaks for
itself, Mr Speaker. The fact that he is able to do the numbers demonstrates that the numbers
are there, which he says they are not. Everything that he says he has found has been hidden in
1115 plain sight. The next thing he is going to find is the Pink Panther diamond, Mr Speaker!
(Laughter).

Now let's move on to stamp duty. When it comes to stamp duty, what we have done is to
fully comply with the law. Where properties have been sold by the Government to Government-
owned or controlled entities, by paying the stamp duty, by doing the real value, we are being
1120 transparent with the valuations, with the proceeds, with the rental charges. We told him about
the £300 million – that led to stamp duty, that is why it is in the book. We told him about the
stamp duty when we met him, so who is hiding anything, Mr Speaker? Even in this post-Brexit
year, if you take out that transaction from the equation and the Government's own transactions,
stamp duty is still up year on year without the Government transaction. So what is it that he was

1125 trying to do: of course, create a veneer of things going wrong in order to try and cause the panic
that he has been trying to cause since he started making financial arguments for the GSD in the
run up to the 2015 General Election.

I do not know whether he knows, but the 2005 change to the Stamp Duty Act was moved by
the then Leader of the House, and it suited the Government of the day just fine to require the
1130 Government to pay stamp duty because in effect they took 80 pence in every pound towards
being able to raise more debt – because it inflated the GDP and it also resulted in more
income for the Government. They invented that, not us.

But do they know that when the sale of the hospital happened they paid no stamp duty,
although the rules required that they should? Are they listening? The GSD paid no stamp duty on
1135 the transfer of the hospital. I do not know whether the hon. Member is posting as Michael Bane
or somebody else, but I do not want to disturb him when he is going through this schizoid
Facebook moment.

If they listen carefully, they paid no stamp duty at the time that they alienated the hospital to
Europort Holdings, on the basis that the Stamp Duty Act says that Government Departments are
1140 exempted. But it was owned by the Gibraltar Development Corporation, which is not a
Government Department, Mr Speaker: a failure to comply with the rules. But at least by putting
the spotlight on stamp duty I have an opportunity to come here and, it being relevant in the
debate, I can highlight that to the general public: a GSD failure to comply with the rules on
stamp duty. So, far from using stamp duty to flatter our accounts, we are complying with the
1145 law.

And on pensions, far from being a Government without a plan, I think we are the only
Government that has a plan. We are the only Government that has had the courage to introduce
the commutation principle. The former administration stopped the final salary scheme, but how
do you deal with all those who are in the final salary scheme? We have introduced the
1150 commutations. They were against it initially. Now they say it is a jolly good idea, but they do not
say whether they would continue to do it or not, because they criticise the way we are doing it –
so they have to put up or shut up. Are you going to continue with the commutations as we do
them, are you going to do the commutations in a different way, or are you going to stop the
commutations? If you do not talk about that, then you are not telling us what your plan is to
1155 deal with pensions. We have paid £180 million in pensions in the last five years since 2011. We
have to deal with this, Mr Speaker. The cost of pensions has increased 320% over the 16 years
that they were in Government. It started at around £7 million and it was £21.5 million by 2011.
That is why we did not go against the decision of the Chief Minister then to end the final salary
scheme. If we had taken a leaf out of their books, we would have jumped up and down on that,
1160 we might have made an issue of it and tried to get civil servants' votes. We thought it was the
right thing to do. But now you have to deal with the problem that you have. You are pregnant
with the problem. You do not just deal with the problem going forward, you have to deal with
the problem that you have, and that is why we introduced the commutations using Credit
Finance Company Ltd. And by the way, Credit Finance Company Ltd paying the commutations is
1165 the best possible business that the Savings Bank can do, because it has the Government paying
the pension, Mr Speaker. It is incredible. And they seem surprised that I say the Savings Bank. Is
it that they do not hear me every time I say that Credit Finance Company Ltd is investing the
money of the depositors in the Savings Bank to produce the return, and the return is the
payment of the pensions by the Government? We have given them all the detail, and I commend
1170 to them the things that Peter Caruana said about this, because in the end he was persuaded that
this was actually a very good thing.

Is he saying, Mr Speaker – because I think that he is seriously, with a straight face, saying this
– that there is something risky about this potential asset? How can it be risky? For 30 years the
Government of Gibraltar has paid pensions without fail, probably for longer. How can the
1175 Government of Gibraltar fail to pay those pensions, which is what Credit Finance needs in order
to be whole in respect of the commutations over the long period that it needs to be able to

1180 provide returns to investors? This is probably the most saleable asset that Credit Finance has. In fact, Mr Speaker, I have said it before and I will say it again: Joe Bossano's design of the payment of commutations out of Credit Finance is one of the many things this community will realise is an absolutely ingenious solution to a huge problem that, years from now, people better able to assess it than the hon. Gentlemen opposite, will say was one of the saving graces of this Government, one of the ways that we really averted the big issue that would have hit this community in respect of pensions.

1185 I know that he does not like to be praised – he has just come in at the wrong time then, Mr Speaker. (**Hon. J J Bossano:** Deliberately.) To stop me! (**Hon. J J Bossano:** To stop you!)

1190 Mr Speaker, the idea that we have no plan to repay the amount that is what he calls indirect borrowing – and I am borrowing his definitions for the purposes of this debate to counter the things that he says – is nonsense. The initial amount borrowed in respect of the hospital and the sale and leaseback was £54 million in 2002-03. If you adjust for revenue etc., the amount is huge. It is huge. We paid back £15 million in the capital. Do you know how much that has cost us to date, the GSD deal: £61.7 million. So, paying back £15 million out of the £54 million has cost us £61.7 million. With car parks, they borrowed £24.5 million in 2008-09, a 25-year loan maturing in 2034. By the end of last year, eight years after the loan was taken, the £24.5 million loan – do you know how much was outstanding after all the payments? Twenty four million. 1195 Those are the loans they left us with. Not good, Mr Speaker, compared to what we have today, but you have to judge a loan on the day that it is granted; it may have been the best available then.

1200 But look at what we have done with the power station. Forget comparing it to what they were going to borrow on the power station, with the 5% accumulator that they were going to saddle us with. We have got a loan, not for 25 years like theirs but for 10 years. It is £60 million. And by the way, Mr Speaker, their loan would not have been on the balance sheet either. This was another off balance sheet loan that they were going to do. We are going to pay back £8 million per annum starting now, we can fix whenever we want, but we are paying £9 million per annum in the temporary generators, so the net effect of us taking the loan to pay for the new power station is we are going to save £1 million a year because we do not have to take the temporary generators anymore because we have got the new power station which will be paid for by the full amount of the loan. 1205

1210 Will he at least perhaps congratulate Mr Mena for having done such a magnificent job of securing that borrowing on much better terms than anything that happened when the people who wear his label were in government? I certainly congratulate him for the magnificent job he has done just in that respect for this community, let alone everything else he has done. It is a brilliant plan, because he is a brilliant Financial Secretary and a brilliant financial engineer, and I cannot think of anybody more brilliant than Albert Mena and Joe Bossano to be doing this work alongside me and delivering these sorts of excellent results, where we borrow but we save a million in the context of the cost of the borrowing. What a deal, Mr Speaker! But then again, Albert Mena was always much more highly regarded than Roy Clinton as an accountant. 1215

1220 That leads us to the £300 million investment. It is incredible to hear. I will deal with the hon. Lady at the same time as I deal with the hon. Gentleman. Both of them pretend in their presentations that there is everything wrong with the loans. They both said at the time that we shared the information with them, 'This is not a bad transaction.' She said it in her press release at the time, in very fulsome terms caveated with 'but I think this should be on the balance sheet and I think we should have more information', which I will come to now. He said it in the teeth of a cross-examination by Jonathan Scott on *Viewpoint*. It was his ninth answer, where Scott said, 'Well, would you have done it? Is it a good deal?' ... 'Well, it's not a bad deal – we'll see how it goes.' I have got the transcript, Mr Speaker. (*Laughter*) He says he did not say it. I have got the transcript. If the hon. Gentleman would just give me a moment, I will read his words back to him. It is towards the end, of course, because it took Roy Clinton a lot of time to be able to say this. 1225

1230 Jonathan Scott: Your mind is open to the possibility that the Government might present some projects, reclamation and others, which have, you know, a good possibility, a likelihood of giving you or the Government that return? You are open to the possibility that in that scenario this would have been a good arrangement to make?

Roy Clinton: Well, look, if the Government doesn't utilise this money in a way that is economically sensible, then they would be negligent, grossly negligent, if they didn't do that with this money. This is a huge amount of money we are talking about: £300 million. So it's an additional amount which the Chief Minister likes to say gives him more firepower, but I don't ever want to come back to the people of Gibraltar saying that the borrowing has come down. If he's had to borrow this money and we're using it for the community, it's fine. It's fine if the money is used properly. History will tell whether it was a good decision or a bad decision, but it has to be used correctly and properly for the benefit of the people in Gibraltar, in the manner that sort of Joe Bossano would have done. He would have invested this in a reclamation project or something to generate a return.

1235 Mr Speaker, *exactly*. So I do not know what it is that, a few months after that *Viewpoint*, has led him to get back on his white charger and start to pretend again that there is anything wrong with this borrowing.

1240 But it is going to cost money; of course it is going to cost money. He keeps calling it a loan, he keeps calling it a mortgage, a borrowing. What is wrong with it? It is a mortgage and it is a loan in the car parks company and in the hospital, isn't it? And he does not think there is anything wrong with that. He now says it is a mortgage, it is a loan, it is a borrowing in relation to this £300 million. So what is wrong with it, according to him?

1245 Well, if we look at where the Bank of England's inflation calculator would put what a £100 million was in 1986, about 1988 it would be about £300 million in today's money. So what Joe Bossano did in the time of the AACR – which Mr Speaker was then complaining about as the Leader of the Opposition, which was about £100 million of borrowing – is exactly the same ratio that we are dealing with here.

1250 Let's go forwards. By the time we end up repaying the capital etc. in 30 years' time, depending on the rate of inflation this £300 million is likely to be more like £80 million or £100 million. It is obvious, Mr Speaker, and he knows that, but he does not want to give those figures. He does not want to give the good side of this transaction. Maybe he just feels he is in opposition and he has to say everything in the worst possible way and put it in the worst possible light. But he knows that, Mr Speaker, the amount reduces. You enter into a mortgage today to buy your home for a million, say, and you think, 'My goodness, it's a million!' Thirty years from now when you finish, the same home is probably selling for £100 million and you think that you got a very good deal then. It is about investing, understanding how inflation is going to move. It is sophisticated, but this is a sophisticated society, Mr Speaker. If he is not sophisticated enough to understand this as an accountant, then he is not the man I thought he was.

1260 Anyway, Mr Speaker, in the last 30 years, the period going forward of this loan – but let's look at the past – Government income has increased 750%, so I do not know what it is that he thinks could lead, impossibly, to suggest that people should be voting against these Estimates. All of the things I have demonstrated we are doing, we are doing in the same way that they were doing them. They cheered when their leader got a knighthood for doing them and they are saying that I am taking Gibraltar to rack and ruin and bankruptcy for doing them myself in exactly the same way that has been said from those benches before.

1265 One of the things that they attack us for is investing Savings Bank money and not Government money in GibTelecom. Is it that he thinks that it makes better sense to put our hands in our pockets to pay the debentures, or does it make better sense to take something like GibTelecom into the ownership of the Savings Bank, which then produces the returns through Credit Finance? But in the context of doing so, what he should have said, if he were honest, in his calculation of £246 million – such a pernicious and mendacious calculation which he did, 1270 which I have shown was £80 million off and in the wrong direction – is that we have also

unflattered the accounts of the Government because the dividend that GibTelecom would have paid is not here. So we have not got the dividend from GibTelecom.

1275 Mr Speaker, the same is true of Shell, so the Government is not taking the Shell opportunity; we are taking it in another way. Well, look, it produces an excellent return if we decide to do that. What could possibly be wrong with that? What is it that he does not like about the fact that we tell him things are going to happen and then, when we decide exactly the legal structure that they may happen, they may be different? We talk about the Government and then the Government has a company structure that we all know about and we do things through the
1280 company structure. What could possibly be wrong that he cannot ask questions about it in this House?

Mr Speaker, we talk more about the things that he says we do not talk about in this House than we do about the things that we do talk about, because we have talked about the expenditure of all of the Government companies but they have not raised one issue about the
1285 expenditure of the Government, all of which is before the House. It is nonsense! He has asked to speak about the expenditure of the Government companies because it is not in the House, and ignored the expenditure of the Government that is in the House. Why has he done that? Did he forget that he had 254 pages of Government expenditure to go through?

If he is going to ask us questions about it in the Committee Stage, Mr Speaker, so be it, but he will completely delegitimise his argument that there is no spending to vote in favour of or
1290 against, and we might just take the view that, frankly if he is voting against ... He is voting against: why should he look at the detail, Mr Speaker? (**A Member:** That's right.) Because it is nonsense? He has not, in the Second Reading, addressed any of the expenditure in detail. It is really quite incredible, Mr Speaker. I think he just forgot. Maybe he is more of a novice than he is
1295 an expert, and maybe next year they will approach this debate in a different way.

Caution, they said, was important, Mr Speaker. That is why what they should be doing is celebrating the surplus and not saying that it is not there and that it does not exist. At least the Hon. the Leader of the Opposition said, 'I agree that the Chief Minister has presented a prudent
1300 Budget.' (*Interjection by the Hon. D A Feetham*) The Hon. Mr Clinton, apparently trying to usurp the role of leadership – because I think he might be one of the ones who sees himself in his place; it is incredible, Mr Speaker, how the biggest people see themselves as rock stars sometimes – is trying to take his place by suggesting there should be more trickle-down measures. Look, you have just said 'Be prudent, be cautious, but now that I want to catch the public's attention, give as much as possible – why haven't you given more in rebates, why
1305 haven't you given more in tax cuts?' He did not seem to realise the allowances had increased in the prudent way as we thought was appropriate. And we will redress the issue of the mess that they left the tax rebates in – I already explained how to do that – but in a way that is sophisticated, Mr Speaker, proper, worked out. I have already demonstrated that 19% is the value of the rebates that we are at and 90% is the value of the rebates that they were at in the
1310 context of the tax revenue.

But Brexit is happening and he is telling us to give more money away whilst telling us that we have no money. He is saying, 'You've got the surplus, give more of it away; but you don't really have the surplus because you've just flattered the accounts.' Brexit is happening. Do they expect us to fiddle whilst the Treaty of Rome burns? Really? Is that the sort of banker that he was – that
1315 whilst Brexit is happening we should be fiddling with these trifling arguments? The public would not tolerate it, Mr Speaker.

They are not going to fall short in Spain of being delighted to report some of the things that they have said, as I suggested earlier, Mr Speaker. Who needs people like Margallo when we have got 'The Roy and Danny Show'! But what they need to do is to stop playing politics. They
1320 need to go home and think carefully about the maturity that they need to show in this debate. They need to think carefully about the fact that the Government had a company structure before we were elected, that it was their company structure, and to think carefully about not sowing panic or even concern amongst people where it is unnecessary. And we have to be clear,

1325 Mr Speaker, related party transactions are not sleights of hand; and if they are, then they did many related party transactions when they were in Government and they flattered their accounts greatly if this is a flattering of accounts, and they failed to chase arrears, leaving us with a huge amount to chase, which the hon. Lady has made a valiant effort of recovering.

1330 They talk about the culture of entitlement, but look, again I am delighted when he is on television because in the same interview with Johnathan Sacramento the Hon. the Leader of the Opposition did not just say that he thought £60,000 was a part-time salary; he, who represents the people and the working classes, he also recognised that the culture of entitlement was created by the GSD. He recognised that in the context of the interview.

1335 And then, if we raise parking fines, or if we raise speeding fines, they make the argument that this is designed to punish the motorist. No, it is designed to stop offending, Mr Speaker. Or is it that motorists are entitled to speed and endanger and entitled to park in a place where prams cannot pass and they think that that is the right thing to do and we should not be fining them?

1340 They said that this is all in the context of £50 million of waste, which is the argument they have been putting for so long, and yet they do not identify one item of waste – well, they identified No. 6, which was a capital project three years ago, and the pop concert because Mr Clinton does not like pop, ignoring the magnificent job that Steven Linares has done in bringing MTV to Gibraltar and the huge value that will have, this year in particular, of putting the word ‘Gibraltar’ on channels around the world, including the United States, and attracting people to our shores. I would have thought this was an excellent thing: £1.7 million of advertising value, Mr Speaker. Or is it that Mr Clinton knows the cost of everything and the value of nothing?

1345 The drama that we have seen played out here, Mr Speaker, in the presentations of Mr Clinton and Mr Feetham ... I know that he has just gone on Twitter to say that I am being theatrical, but it is just absolute drama. Mr Phillips talked about the Globe and all of that, but at least when Sir Peter was here we were transported to a Mansion House speech by a Chancellor of the Exchequer in the style of Peter Caruana, or maybe even a Chancellor in Westminster. But with them there, Mr Speaker, this is not the Globe; this is the theatre of the absurd. It is almost like ‘Tales of the Comedic Unexpected’, Mr Speaker.

1350 There is no failure of transparency here; there is a failure of humility, a failure to appreciate that he has just arrived in this House, a failure to appreciate that he does not understand how Government accounts work and a failure to appreciate that the things that he is complaining of are the things done by the party that he represents.

1355 He is now given to complaining about delays on affordable housing – I guess because we have not made the announcements that we will shortly expect to make; we want to make them as soon as possible. If we had made them ... it is like a flowchart, isn’t it, for Mr Clinton: if they announce the houses, complain that they are going to have to pay for them; if they do not announce the houses, complain that they have not announced the houses. If x opposite is y, if y opposite is x. It is not real politics, Mr Speaker. You can play like that for a little while, but you will be found out very soon – and I am going to do my damndest to ensure that they are found out. Real politics is what Albert Isola was talking about: getting on a plane in the middle of a debate, going to London, having meetings with the Treasury, coming back, bringing more financial services business to Gibraltar, bringing more online gaming business to Gibraltar. Look at the numbers of jobs: that demonstrates that the work is real. This is not fiction. *That* is real politics. What they are doing is what I identified would happen with the GSD after Sir Peter left, and of course after the hon. Lady left, all of the *mala leche* and none of the brains of the teams that won them so many elections, Mr Speaker. If Mr Clinton believes all of these things that he is saying, he has got a very simple thing that he has to do to be credible: pick up his chair and go and sit next to her, because whilst he is sitting with the GSD initials he is infected by everything that they did and everything that he is complaining about is everything that they did.

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1375 And so, Mr Speaker, what the Government has presented in this House in the context of this debate and in the context of this Estimates Book is not a failure of democracy and it does not fail

the smell test. What is a failure of democracy is to tell people how to vote without consulting them, and that is apparently what has happened, we were told on *NewsWatch* last night, on the other side. What fails the smell test is the stink coming over from the irresponsibility of Members opposite talking about voting against this Budget. That fails the smell test, and they should really reconsider what they are going to do. I even, in an attempt to avoid what they have said they are going to do, I invite them to walk out of the Chamber like Sir Peter Caruana did, in order to avoid having to vote against the Budget – to abstain, to walk out, or even to reconsider and vote in favour, but not to take the step over the precipice to vote to close hospitals and not to pay civil servants, to close schools and not pay teachers. I invite them to do that. It will not be a U-turn if they do not vote in favour – although they do that without a problem; they have done a U-turn on their attitude to Government companies and borrowing – but if they, the pair of them, because they are the architects of it ... I do not know who is the greater fool, the fool or the fool who follows him, but I assume that Mr Feetham is being tutored by Mr Clinton, having averted the bullet when Sir Peter was here. They should hang their heads in shame if they walk out of here having voted against the Budget. It would have been a first and I hope it would be the last that we ever see in an Opposition vote against the Budget. But it is obviously Mr Clinton who is the architect of this nonsense, Mr Speaker, and this is a step as much beige as it is ridiculous and he will be hoist by his own malicious petard if he decides to take this step, and that will be the judgement of history.

He says that there is no project coming to fruition in Gibraltar because the Eastside has not taken off, for reasons that I have explained – I should not have talked about it until it was inked, he said – and the Coaling Island reclamation has not started yet. But what about the World Trade Centre, which started and finished in our time in office? What about the Mid-Town Project that started in our time in office and is ongoing? What about the two new Ocean Village towers that are in progress? What about the Waterside Villas at Ocean Village that are about to start? What about the Gardens of Beauty that are about to start up at the old casino site? What about the Eurocity project, which has got final planning permission? What about King’s Wharf II, that has just broken ground? Yes, there are three projects that have not taken off already, but what about all of these? This is again like the £246 million, ‘Ha, ha!’, but what about the £346 million? It just demonstrates that there is no thinking through of arguments when they are put.

In relation to Newcastle Building Society, of course we lament the fact that it is going. Newcastle were my first lender when I bought my first home, so I am very sorry that they are going. We are constantly trying to bring other banks, we have created our own bank, we hope there will be something in the future which will be more modern as well, but he is a director of a bank still, isn’t he – why doesn’t he persuade his fellow directors to open another branch? Perhaps he would like to arrange a meeting with me and we can talk about it with his fellow directors. I promise not to tell them what I really think of him, or even to show them how I have had to correct his homework on his mathematics.

How do we grow financial services in Gibraltar with the support of the Opposition by an allegation that we are cooking the books? How do we create the environment for people to come and set up more banks here by saying that Gibraltar is bankrupt? No, that is not the route to prudence, to caution and to helping the Government to grow the financial services business; that is the route to liquidation and destruction, the very thing you said would not happen and will not happen, Mr Speaker.

But look at this hypocrisy: the World Heritage status. I think all of us are justly proud of the work done by Clive Finlayson, of the work done by Steven Linares, John Cortes and Joseph Garcia in respect of the Government aspects of the World Heritage status, although the work was exclusively of Clive and Geraldine – but that required funding and they complain about the cost of things. That required that we put back the bid for World Heritage status which the GSD had stopped. That is how much they care about heritage. That is how much he cares about the heritage of the GSD: he does not go back and bother to find out what it was that they were doing on a particular issue before standing up and making them look ridiculous because they

have said one thing when they were in office and done another when they are in Opposition. They did not pursue the World Heritage bid – we pursued it.

1430 Mr Speaker, the fact is that these Estimates contain all the information from Government spending. I have demonstrated how the companies money also comes in here and all of the things that the hon. Gentleman said really do not go to his final sentence of saying that for lack of transparency he could not support the Bill. I have demonstrated the transparency. I have demonstrated he has not bothered to make a point in the Second Reading in respect of the things that are here.

1435 But finally, in respect of the point of whether the CEO should be the chairman or not, is it that he was a lonely voice from 1996 telling Sir Peter that he should not be Minister for Finance, or is it just that he thinks that this particular barrister should not be Minister for Finance? As I have said before, maybe it is because I am from El Calpe and he does not like people from El Calpe, or maybe it is because he might not have liked something I said to him when we were both in the Students' Association, but he thought it was absolutely fine and proper and defensible and he defended and voted for the GSD when the chairman was the CEO and it was Sir Peter Caruana and he was Chief Minister and Minister for Finance, but he just does not think I am up to it. So be it, Mr Speaker – perhaps it is from what he sees on his side of the table.

1445 When it comes to prudence, you have to look at how things are actually developing: the jobs; you have to look at the performance of the economy and not just at these arguments. And if you are going to be prudent in the way you present an argument, you have to look at what you did yourself, because in the same way as when you drink you are in *vino veritas*, when you are in power you are in *poder veritas*, Mr Speaker, and in *poder* we have seen what they as a GSD do: all of the things that they now complain about.

1450 Mr Hammond is the former Deputy Leader who fell from grace – I am told he had designs on the post but it did not quite happen – but I think a better description of him, Mr Speaker, is 'the panic-monger who couldn't scare a fly', because in the same way as Mr Clinton has tried to create panic in relation to the Savings Bank, Mr Hammond is well known for the attempts at creating panic in relation to LNG. My children watch an excellent movie, called *Monster's University*, that has a school for scaring, where people are taught how to scare – and I commend to the hon. Gentleman that if he wants to try and create panic again he should go back to the school for scaring because his attempts to create panic in relation to LNG failed and I think his attempts now to create panic in relation to the environment and air quality are also going to fail because they are going to come up against reality, against the lowest PM10 in our history. In fact, Mr Speaker, as he was speaking I thought that there is a fantastic song by Albert Hammond which I thought I would dedicate to the Minister for the Environment: *All I need is the air that I breathe* when John Cortes is Minister for the Environment. Steven Linares: *Let me entertain you*, (Laughter) and in the case of the Leader of the Opposition that excellent song by the Who, *Who are you* on Facebook today?

1465 But he complains, Mr Speaker, that we exclude them from policymaking committees. Well, I have no intention of excluding Mr Hammond from policymaking committees. We have always said there is only one person we would not welcome back in the GSLP: Mr Feetham. But if Mr Hammond wants to join the GSLP and he wants to come to our annual general meetings, where we make policy, or to our executive meetings, where we make policy, he is very welcome. We hold our annual general meetings every year – that is why we call them annual, Mr Speaker (Laughter) – and we hold them in the big room next to the little room where they sometimes meet. (Laughter) He can find us there as soon as we get an allocation and he can come and make policy with us.

1475 He went through the STTP in the most ungenerous possible way, pretending that the 15-page document that they had in 2011 was better than the substantial document that Paul Balban has spent so much time and detail and attention preparing. And he said that we have ... It is true that they have become synonymous with succinctness. They think that their plan, which was a few pages, was better than our plan, substantial, and they think that their pamphlet was

1480 better than our manifesto. Well, it did not get them very far. Back-of-a-fag-packet plans do not work anymore. This is not a Gibraltar where we can just do things because we think it is a good idea; we have to work at them and we have to demonstrate that they work. And so he is not going to be able to get on to the STTP as his new panic pony now that he has got off the Shell LNG panic pony.

1485 Neither is he going to be able to show that the GibiBikes are not working magnificently well and that they are not the right thing to have done and to have undone the old GibiBikes that they had, Mr Speaker – the Redibikes are now working very, very well. But he says to us, ‘You should have continued with the GibiBikes and not replaced them, because that was not a good use of money, and you should not have done the Redibikes,’ – although the Redibikes did not cost us any money, they were sponsored independently – ‘but you should change every bus in Gibraltar immediately.’ It is ridiculous! And he then creates a spectre that somehow somebody made a killing on the old buses. We could not get rid of them, Mr Speaker. If he can find somebody who would have bought the old buses from us at real value, we would be very happy to allow him to flatter our accounts for next year by telling us how to sell them.

1495 And then he blames us – this is now the limit of credibility – for the ponds in the road, Mr Speaker. Well, is it that the water was not wet when the GSD were in office and it splashed out of exactly the same ponds? Except that we have done much more road resurfacing than they did in their time. Perhaps in the Jaguar that he drives you do not get so wet, Mr Speaker.

1500 Anyway, I think that it is clear that you can have different policies to promote electric vehicles. Norway has a very good policy and he was telling us that our policy does not work. I think the Norwegian policy does not work in Gibraltar, but if he wants he should be a champion of getting up there and doing something that definitely works. If you put zero duty on fully electric vehicles and on top of that we give a cashback of £1,750, and you put a 100% duty on every vehicle that is propelled by a combustion engine, nobody will buy vehicles with combustion engines. That is the Norwegian policy and it works. Is that what he is saying we should do, Mr Speaker? Does he suggest that as a matter of policy I should put 100% duty on every vehicle that is imported into Gibraltar? Maybe he wants to tell us his idea of that policy, given that he wants to be involved in policymaking with us.

1510 And on parking, Mr Speaker, again it is run with the hare and hunt with the hounds. Problems with parking – ah, well, we have to do something about it, so we increase the parking fines and we police it more effectively: ‘This is disgraceful! People are being clamped, people are being fined!’ Whose side are you on? Are you on the side of the woman pushing the pram who cannot get on to the pavement, or are you on the side of the guy who parks on the pavement irrespective of the fact that the pram and the wheelchair cannot get on it? If you are on the side of law and order you have to say put up the fines and the success of the policy is that there are no fines paid. *(Interjection)* But whose side are they on? Are they on the side of those who speed by trying to tell them where the speed cameras are and how they work, or on the side of those who want to ensure that for the first time in the history of Gibraltar we have speed cameras and we are going to get more – and this was a trial – and we have displays that tell you what the speed is? I want to commend Paul Balban, Mr Speaker, although he has not shaved, *(Laughter)* for having been the Minister who has introduced speed cameras in a way that will save lives. I think he is presiding over a very prickly issue on traffic, on parking, on residential services, very prickly indeed, but he is having the courage to do it and they should have the courage to support it – unless they are on the side of those who park illegally.

1525 To take on John Cortes in relation to the environment is a mistake, Mr Speaker. Well, finally, just on traffic, one point. He said again that we had done nothing for parking. I suppose that it may be that he thinks Commonwealth Park extends all the way down to the end of Regal House because we put magnificent designs of trees on the car park and he walks through and just thinks he has reached Commonwealth Park. It is not a park, it is the parking. There are 1,000 spaces, Mr Speaker. In town it is now much easier to park and it is free if you have a Gibraltar ID card. But to take John Cortes on in relation to the environment, when he even insisted that we

1535 plant trees on the side of the car park, (*Laughter*) is very brave indeed, Mr Speaker. It is risky. He should have done a risk assessment – he would have failed it. He just completely betrayed an utter lack of nous for the environment by saying ‘What is little Gibraltar going to do?’ It is the attitude of Peter Caruana. On that I commend him for GSD consistency, Mr Speaker, because the one thing that we have always been for is think local, act global. The thing that they are for is ‘Let’s do whatever we like in Gibraltar, we’re too little to affect the environment.’ But it is impossible to divert away from the magnificent work that John Cortes has done. Even by trying to no longer ever mention the LNG facility, as the hon. Gentleman is clearly trying to do, we are producing a power station that will produce clean energy. We are very pleased that this is going to be something that by next year will be on track and I think John Cortes has to be commended for the work he has done in respect of ensuring the compliance of that power station with all environmental initiatives and with the relevant environmental groups. And I always have to think, Mr Speaker, when I talk about the power station, that it was Joe Bossano who said, ‘Look, we’re doing the wrong thing with this power station – the right thing to do is to go to gas and not to do it at Lathbury, which would be a blight on the Upper Rock Nature Reserve.’ He was absolutely right, and with his tenacity he was able to demonstrate that it was actually the right thing to do.

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1550 Mr Speaker, would you like to recess for a few minutes, or shall I carry on?

Mr Speaker: Carry on.

Hon. Chief Minister: Mr Speaker, when Mr Phillips came into the Chamber for a while, because he has not been here most of the –

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Hon. E J Phillips: Mr Speaker, a point of order. The Chief Minister –

Mr Speaker: What Standing Order are you referring to?

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Hon. E J Phillips: 32A(3).

Mr Speaker: Rule number?

Hon. E J Phillips: 32A(3).

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Clerk: 32A(3).

Mr Speaker: 32A(3)?

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Hon. E J Phillips: Yes. Mr Speaker, in –

Mr Speaker: I will read it out, shall I:

After all other Members who wish to do so have spoken to the Bill, the Minister of Finance shall have the right of reply. In exercising the right to reply the Minister of Finance shall be restricted to dealing with matters raised during the debate and shall not introduce any new matter.

Hon. E J Phillips: Mr Speaker, the matter that the Hon. Chief Minister is raising was not germane to any Members’ introduction of any matter that they introduced. The Chief Minister attempting to introduce this matter is a new matter, and therefore, Mr Speaker, I would urge you to rule that he cannot raise it.

Mr Speaker: What is the new matter?

1580 **Hon. E J Phillips:** The matter of my absence from the Chamber during the last few days.

Mr Speaker: I see.

1585 **Hon. Chief Minister:** Mr Speaker, speaking to that point of order, the view I would take is that what happens in the debate ... I am just speaking to the point of order so Mr Speaker can rule on the point of order. What happens in the debate is relevant to the reply in the debate, and you were not here – or rather Mr Phillips was not here for most of the debate and therefore that is relevant to my reply, as is the absence of the Leader of the Opposition and the fact that we are about to vote £40,000 for Mr Phillips to be here, Mr Speaker, especially during the course
1590 of this debate, not necessarily at the time when he is not here to hear Members who are making speeches which are not relevant to him, but he was not here for the speeches of the people he shadows and yet he came here and delivered a speech in respect of the things that they had said. That is why it is relevant, Mr Speaker.

1595 **Mr Speaker:** The hon. Member thinks that it is correct for a Member of the Opposition to make a speech early on in the debate and then absent himself for the rest of that debate and that the mover does not have a right because he infringes that rule, he does not have a right to make reference to the fact that the Member has not been present. That is what you are saying?

1600 **Hon. E J Phillips:** I am ... Mr Speaker –

Mr Speaker: To make a reference – I am not saying enlarging on it, but to make a reference.

1605 **Hon. E J Phillips:** Well, he has already made it in the beginning, Mr Speaker, and then continued to amplify it. That is why I jumped to my feet. But the rule is clear. You can read it again, Mr Speaker, but it is quite clear that he is introducing a new matter into the debate on the Appropriation Bill.

1610 **Hon. Chief Minister:** No, Mr Speaker, it is not new. He is not absent now; he was absent during the debate, so I am dealing with his absence from this Chamber during the course of the Appropriation debate, although he is paid £40,000 to be here and the Leader of the Opposition is paid £60,000 to be here. If they do not have to be here because they are professionally involved in something else, that is no problem, that is perfectly understood, but they should be here to hear the people that they shadow, and in the context of the Leader of the Opposition he shadows as Leader – he should be here for all of the debate.
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But look, it does not matter. I am not taking it up with him, I am not taking it up with whoever the Leader of the Opposition may be now; I am taking it up with Mr Phillips, who was not here, although he earns that amount of money. I will go on to explain why I think it is relevant, Mr Speaker. It is relevant for a simple reason. The hon. Gentleman got up to tell us that he feels that he is transported to Bayside or to the Globe Theatre when he is here. Well, I am surprised that he feels transported to Bayside or to the Globe Theatre, because most of the time he transports himself to the Supreme Court or wherever else it is that he was.
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He has a brief to deal with issues relating to security, and when he –

1625 **Mr Speaker:** May I? The problem where a Member, having made a speech, absents himself for a considerable amount of time in the rest of the debate is that he or she may not hear the counterarguments, the points that other Members in the debate are making. That, I think, is of relevance to the general tenor of a debate.

For me, new material would be that ... There are a number of heads of expenditure in the Budget Book. If the Chief Minister were, in his right to reply, to introduce an item, something
1630 which is not in the Budget Book, that is not relevant. A comment to the effect that a Member

has not been present here for much of the time, one way or the other, I do not think is new material. It is a fact that something has happened. Material is injecting something in the Appropriation Bill of a financial nature – that would be new material – and to do so when exercising the right to reply.

1635 That applies to this debate or to any other Bill or any motion where, having introduced the motion, the mover not having brought to the attention of Parliament some matter in his opening speech, then chooses to do so when exercising his right to reply and no one can then take him up on it. That, I think, is the established practice of debating. (**A Member:** Hear, hear.)

1640 That is how I have understood it over the years.

Hon. E J Phillips: Mr Speaker, I do not want to continue to labour the point on this; it is quite clear that you are not with me on the point.

1645 **Mr Speaker:** In reality, I think it would be in his interest not to labour it. (*Laughter and banging on desks*)

Hon. E J Phillips: Mr Speaker, the reason why I say that is I am looking at the rule and it is not about material; with the greatest respect, it is about matters, dealing with matters. It is a question of interpretation of the rules. But, Mr Speaker, if you are not with me, you are not with me.

Hon. Chief Minister: Well, now that he is with us, Mr Speaker, (*Laughter*) although he has only been with us for about one eighth of this debate, despite being paid for all of it, he might like to think that he is not somebody to crow about being transported anywhere because he has not been here for most of what we have had to say. Yet he is the person with responsibility, apparently, for security and justice and he starts by telling us Opposition politics is not easy. Well, I have just read him a quote where Peter Caruana says ‘Opposition politics is very easy compared to what it is like to sit over there’, and he has demonstrated that Opposition politics is easy because he has got up and gone whenever he has wanted to in the course of the three days that the rest of us have been here to listen to our shadows and to listen to the people that we are involved in dealing with.

1655 The least he should do, Mr Speaker, being out of the Chamber as much as he wants next year, is to be here to listen to the people he shadows as a matter of courtesy, and if there is an overwhelming issue, a personal issue, as a result of which he cannot be here, and he says, ‘I am sorry I cannot be here,’ and he explains to the Chair, it is explained to all of us and that is all right. Edwin Reyes has told me he cannot be here today for a very good and compelling personal reason. I made no comment about that and I have told him that I will deal with the issues that relate to my response to him so that they are on *Hansard* and he can see them when he returns, but I made no comment about his absence.

1665 But the hon. Gentleman deserves to be pulled up on the fact that he was not here and he deserves to be pulled up on the swathes of young unemployed people that he sees, I suppose ... that there have never been so many tears cried by so few at College Lane than the unemployed that cry on his shoulder, on the shoulder of Elliott Phillips. I do not know whether he knows whether it is a young person or whether perhaps it is the Hon. the Leader of the Opposition in one of his Facebook disguises crying on his shoulder. (*Interjection*) Where are these swathes of young people? Where is the progressive politics that the GSD leads on and leads us on when we were the ones who had civil marriage in our manifesto, when we were the ones that had civil partnerships in our manifesto? They are not leading us anywhere. *We* are leading this community and it is obvious to anybody who takes a step back and looks at it. So nobody is going to believe that he is going to be the person to save all young apprentices. Nobody is going to believe that he is going to save our security. Nobody is even going to be able to believe that

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he did anything that was rational or sensible when he published that photograph of the hole in the fence, which he thought was still there.

1685 And when it comes to T-Levels, these are not new apprenticeships on which the Government has done a U-turn because we are now going to force Mr Bossano to do something he said he was not going to do. Didn't he listen to what I said? I think he was here for that, Mr Speaker. What I said was that the school system is changing in the United Kingdom, and in education we follow the school system in the United Kingdom. Apart from A-Levels, they are going to
1690 introduce T-Levels in schools, and schools, Education, is going to follow that – not anything that Joe Bossano is going to be doing any U-turns on. He needs to understand that, so he needs to be here even when he is here. In other words, his head must not be at Bayside or at the Globe Theatre; it must be here at least when he is here, Mr Speaker. Otherwise, if he is going to criticise the Future Job Strategy he is going to do so and crash and burn again because he is
1695 going to forget that under them, as I told them before, the Minister for Employment used to just go to Europort to sit outside a café to smoke as many fags as he could and not bother to employ anyone – and that is when there were real tears as a result of unemployment. And remember the figure I have given today of the number of unemployed last night.

So there are no U-turns, there is no lack of care for our young people – quite the opposite. I
1700 have shown him that there is more investment in tertiary education for our young people than ever before. There is more to do for our young people. There is even a concert that we organised because it was what we thought young people needed here, although it has grown to be an important part of what corporate Gibraltar does.

So, Mr Speaker, to suggest that we are somehow following them is nonsense. To suggest that
1705 nothing is happening on the secure unit for young children when he knows the work that Neil Costa is doing in that respect, the legislative work that he is doing and the physical work that is being undertaken, is utter nonsense.

And to try and curry favour with the GTA saying that the GTA and teachers are all desperate because the Government is doing nothing is nonsense. Because he can say it if he likes – he
1710 might have a mate who is a teacher, who because he is a mate of his might tell him that we should do more – but the reality is that we have a social partnership with the GTA, we are working *with* the GTA, we are making things happen and we are building seven new schools, seven, *siete* new schools, Mr Speaker. (*Laughter*) Mr Speaker, that is the reality of investment in education, investment in young people and delivering on employment.

The same is true of the Police and security. I told him in my main speech – although he was
1715 here, he might not have been here listening – we have increased the investment in our Police, Mr Speaker, by £5 million, and in our Customs by even more. So, if there are major fraud cases outstanding, it is because they are very complex and they require detailed work and it is fraud and it has to be undone.

But on security, Mr Speaker, I want to be clear that I am not the only one who thinks he was
1720 acting irrationally when he published that photograph. I read an excellent article by Carmen Gomez, in the *Panorama* on 27th June, setting out exactly how badly the hon. Gentleman had done in the context of that publication. It is on page 7 of the *Panorama* for that day. I do hope he takes it, Mr Speaker; it is a riveting good read, in particular Carmen Gomez's column. I am not
1725 going to read the whole of it, because it bears reading but it is a little late in the day, although I have got a second wind now as he allowed me a few moments sitting down as he made that silly point about relevance. It starts by saying:

I was horrified to see the same photo which the opposition had supplied GBC TV with the night before, on their news programme [in a Spanish magazine]

It goes on to say:

Bravo gentlemen! Who do you think you are helping? You must have the nous not to do these things.

1730 If he does not want to take it from me, he should take it from Carmen, Mr Speaker, one of our most accomplished actors, who would do a much better job at the Globe Theatre than he ever would, however much he fancies himself.

1735 Mr Llamas started this debate with one complexion, as far as I am concerned, and is ending it on another if he ends it like we were told he would. I wanted to thank him for coming, because there is a very good dog show in Texas this week, there is an excellent one in Lawrenceville in Georgia and another one in Greece and one in Turin.

1740 I do not believe, Mr Speaker, that the things he told us about subcontracted staff make sense. I think if he goes back and reads his contribution he will find that much of what he was saying is inherently contradictory. But the one thing that I will not let him get away with is the idea that we are not somehow prioritising St Martin's School. Let's be very clear: they said in 2015, 'It is not one of our priorities, we will not do a new St Martin's School.' We said we would and we are in the process of delivering it – and we will deliver it, Mr Speaker. He might like to say, 'Well, I wish the first thing you did the day after you won the election was to do St Martin's School.' He would be wrong to think we did not. We immediately started the consultation process, the work necessary to be able to deliver a new St Martin's School, not a school that we hope will be obsolete in five years, and that therefore requires planning – it requires planning to build a school that can be relevant for the next 20 years. The school we have is 30 years old. They did nothing to build a new St Martin's School when they were in Government and they said last time that they sought to be returned to Government that they would not do anything in relation to St Martin's School.

1750 I have told them already that we have invested £7 million in the Upper Rock. I could go through all of the areas of growth in tourism but I have done it already, so everything that the hon. Gentleman is saying, really ... Look, he needs to look at the tourist expenditure survey, he needs to look at the tourism survey, the hotel survey, the air, everything is up. So tourist expenditure is a bit down: does he know how tourist expenditure is calculated? It is a finger in the air. But you look at all the other indicators, and they are up and it must be that the calculation in this respect is not really the most reliable. We know it is not, because it is a finger in the air calculation, but everything else is up. So, if Main Street was down, if profits were down, then you might say tourist expenditure is down, Main Street is closing down, there are problems here; but if everything is up, then we need to look at another way of doing our tourist expenditure, which is just an indicator, Mr Speaker.

1755 And on domiciliary care the work that we are doing is really quite magnificent. We have invested so much more: 263 members of our community are receiving domiciliary care. That is a 611% increase. I commend him, Mr Speaker, for voting in favour of this book in order to provide that care, I really genuinely do.

1765 The other issues he deals with I do not agree with, in terms of the terms and conditions of employment of subcontracted staff and how we need to do things. We have had that debate 100 times. The hydrotherapy pool I think he raised, or maybe somebody else raised – Ms Hassan Nahon raised, so I will deal with it in a moment. But I disagree with him on all of that and I disagree with him on the playgrounds and I disagree with him on the Disability Bill, he knows what we are doing in that respect. It is coming and it is going to be a great Bill and it is important that it comes as soon as possible. And if he is right, then it should have come before. Absolutely right, it should have come before, we all think it should have come before, but it has required a lot of work and it is coming.

1775 **Minister for Housing and Equality (Hon. Miss S J Sacramento):** And they had 16 years in which to do it.

Hon. Chief Minister: And you had 16 years in which to do it, although Mr Llamas did not because he was not here, but the GSD did.

1780 But where he is right, Mr Speaker, is that he is not going to put at risk his children's schooling – they go to the same school as mine – the domiciliary care, the care of our elderly, the pay of civil servants. He is not going to put at risk the fabric of this community. He is not going to vote to liquidate the community, he is not going to vote to destroy it, and I genuinely commend him for it because I know that it must have been difficult to issue the statement that he issued last
1785 night but it will define him politically. It is anecdotal that he was not here one day when he was somewhere else and we have chided him on it etc., but when the time has come he has dressed himself by his feet, as we say in Spanish, and he has made a decision which I commend him for because I think it is the right decision for this community. (*Banging on desks*) He has fought for Gibraltar, assuming he does today what *NewsWatch* said he would do, but he has fought for this
1790 community as a whole.

Mr Speaker, Mr Reyes and I have been political opponents in this House – we were both elected in the same year – for many years, but he and I have never had a cross word, even though we have had some very difficult political moments in relation to some matters. But he raised issues of delay in the refurbishment of the estates and he has no legitimacy in doing so
1795 because it is our project and we are delivering it. But look, it is something that we have said before we also regret. We wish it could have been dealt with in another way, but there have been technical problems with electricity etc., and that just cannot be done any more quickly.

He challenges the work at Beachview Terraces but does not challenge the work at Mons Calpe Mews. I think they are both of the same very high standard. We are going to ensure all snagging issues are dealt with and the residents of Beachview Terraces and Mons Calpe Mews have the absolute guarantee of this Chief Minister and of this Government and this Minister for Housing that we will ensure that all the snagging issues are dealt with.

Mr Speaker, Mr Reyes also raised the issue of the Housing Works Agency. I have said that I am working very closely with the unions in respect of the future of the Housing Works Agency, but the future that they left us for the Housing Works Agency was that the Housing Works Agency was a deal that was reducing to zero and that is the Housing Works Agency that they now say we should be somehow reviving. We are working with the unions to deal with it. The plan is not yet settled but it is very clear in my view that it is not something that the GSD can legitimately complain about.

1810 He complains that Gibraltar General Construction Company Ltd is not subject to the Ombudsman. Well, that is because they left us rules where the Ombudsman was not responsible for Government companies; neither is GJBS. And they said there is little faith amongst tenants that Government will fulfil its obligations. Well, when they were in office they had 15,095 outstanding jobs. We have 365, so I am very confident that we are doing a better job than they were and I commend all of the individuals at Gibraltar General Construction Company Ltd, at the Housing Works Agency, at the Housing Ministry etc. who have been responsible for the work that has brought down those figures as they have.

1820 We have constructed already 900 affordable homes and 142 flats for the elderly in five years. Our ratio is better than theirs ever will be and we are saying that we will continue to build, and when we have inked the new deals we will set that out. I am very much looking forward to making the announcement in respect of Bob Peliza Mews and Hassan Centenary Terraces – although if the hon. Lady carries on as she is, we will be building an ... some of my children will be living in another Hassan estate in the future if we carry on like this.

1825 Mr Speaker, the hon. Lady dealt with a number of issues. I have dealt already with the issue of the £300 million loan, although it is very clear that her attitude is a different one and it is put in a different way, but I hope that I have explained to her how it is that we intend to deal with the information in respect of the £300 million. It is clear we have a difference of opinion as to how it should be dealt with but, we do not have a difference of opinion as to substance. In other words, there will be clear statements as to the use of that £300 million and how it is going to

1830 produce profit in order to return the money, because I believe the community should have the
 information in relation to that, even though I do not share her view that it should be in this
 book. Perhaps it might be in a different sort of book, Mr Speaker, but I take from her a good-
 faith view that this is good money, properly obtained, and that we just need to make sure the
 whole community knows what we are doing with it. She said last year we need to find a better
 1835 way of presenting the Budget and this year we have presented it with slides that I hope also
 make it easier for people to understand what it is happens with their money.

Mr Speaker, she also talked about a hydrotherapy pool. She should know that there has
 never been a hydrotherapy pool. There was one created when the expensive sale and leaseback
 of the hospital was entered into – or it was designed as a hydrotherapy pool but it has never
 1840 been used and the previous administration turned it into something else, another hole in the
 ground, a store for something. She stood with the GSD, so I will allow myself at least the slight of
 telling her that at the time that she stood for election she was standing with a party that had
 undone a hydrotherapy pool and had created a pool of cash for the companies in the
 Government, which is how we now deal with that expenditure.

1845 Mr Speaker, I think on education she was a little ungenerous to the hon. Gentleman,
 Mr Cortes, and a little out of touch with the reality of what is happening in education. There is a
 dynamic move forward in a social partnership with the GTA in the building of the new schools, in
 the introduction of co-education, which I think is a continuation of the six years of huge progress
 that we have made in respect of education and in particular in the security of our schools.

1850 She knows that we have a difference of opinion in respect of the legalisation of cannabis and
 we have an agreement in respect of the medical use of cannabis which the hon. Lady, Samantha
 Sacramento, has dealt with at length in the context of constructive debates that they have had
 in this House on the motion and on the television programme in which they both appeared. We
 do not think that we should have plantations of cannabis in Gibraltar to convert into medicinal
 1855 use of cannabis – but you never know, Mr Speaker, if the rocket chair propels her in this
 direction Commonwealth Park might be a wholly cooler place to be if she becomes Chief
 Minister!

Mr Speaker, coming to the end now of my reply, it is clear that those who sit on the benches
 opposite under the GSD banner are suffering from political Tourette's. They will say the first
 1860 thing that comes into their mind and they will not think through what the consequences of
 saying that is, for Gibraltar. Sometimes they might actually be realising that, and that might be
 why I have been provided with extracts from one particular social media platform where a
 person named yesterday in this House, who might turn out to be the bane of the Hon.
 Gentleman's existence going forward, praises the hon. Gentleman to high heaven, denigrates
 1865 me and the Hon. Mr Costa ... The hon. Lady told us she also denigrated you, but I have not been
 able to quite spot the occasion when he does that, Mr Speaker. Perhaps with longer time I will
 have a chance of seeing what it is that is said in the name of that individual about all of us, and I
 will smirk to myself picturing the face of this young man.

But the Tourette's that they suffer leads them to an argument that Gibraltar is bankrupt, that
 1870 it is a place of absolute and utter nepotism, where the media is bought by the Government and
 they cannot get a word in edgeways. Mr Speaker, this is a society in which no one would want to
 live, let alone return a Government with 68% support. This is a society in which one would not
 want to bring up one's children, and yet this is the society that hon. Members tell us Gibraltar is.
 And in saying so, the hon. Members opposite for the GSD are not just insulting me in a debate,
 1875 they are insulting Gibraltar, they are insulting the media, they are insulting civil servants, they
 are insulting all of the people of Gibraltar who go to work every day to deliver these magnificent
 results in a non-nepotistic, non-bankrupt, non-media-controlled society. But it is true that a bad
 workman always blames his tools, so I guess that is why it is that they blame Gibraltar for their
 own undoing politically.

1880 The hon. Member opposite is the boy who cried wolf. He has been crying wolf since
 November 2011: 'If the GSLP wins, you're going to bring the whole edifice crashing down.' When

1885 he became Leader of the Opposition: 'Everything's going in the wrong direction. Gibraltar's finances are going to ... We'll be bankrupt before you know it.' Just before the election: 'We'll be bankrupt after the election.' Now at least they are saying we are bankrupt, but of course as long as this Bill passes we will not be bankrupt. Civil servants will receive their wages, teachers will receive their wages, the hospitals will open and the schools will teach our children.

1890 He should know, Mr Speaker, that in a conversation with a contractor to the Government we were talking about payment terms and the man was praising the fact that the Government of Gibraltar pays within 90 days of certification of building work. He said to me the only places where a Government actually pays within 90 days are the United Kingdom, Germany and Gibraltar. Nowhere else does a Government pay within 90 days, and this Government pays within 90 days, this Government pays at the end of the month, this Government pays its interest on savers' deposits. This Government pays its way because we are not bankrupt, because we are a very solvent society, because we are doing very well, because we are very prosperous – and
1895 the boy who cried wolf got it wrong over and over again.

This is not the case of Bermuda, where some were saying things could go wrong and were proved right in the end, although I see him on his knees praying that things go wrong for Gibraltar so that he can say that he was the only one in the wilderness predicting it. I sometimes think, when I see how things turn out for him, that instead of just being the boy who cried wolf
1900 he is actually a lamb in wolf's clothing because he is so ineffective. He is not even able to keep his team together, he is not even able to get them to vote how he wants them to vote, so he is the Leader of the Opposition, Daniel Feetham, but actually in the end he is just a lamb in wolf's clothing or a boy crying wolf. He was supposed to shadow health, not public finances, but he said only a few sentences, Mr Speaker.

1905 I cannot believe that having told us all the things that he told us about, wanting more involvement in relation to Brexit etc., he did not turn up to hear the Hon. the Deputy Chief Minister explain the excellent work that he has done this year alongside me and the Attorney General in helping me in relation to the issues of Brexit. He said to me in the context of his winding up that I needed to travel less and I needed to invest more in jobs. Well, I do not travel because I want to, Mr Speaker. I have got to the age in life where I do not want to travel unless I
1910 am travelling with my wife and my children – and that is no slight on the Deputy Chief Minister and the Attorney General, with whom I travel often. I travel because I have to, because in this time in our history the political leader of Gibraltar has to travel a lot to make Gibraltar's point. At this time in our history we have the biggest number of jobs in our economy but we have got a challenge that we have got to face effectively. I do not travel for fun, Mr Speaker, I travel to get things done and I will continue to do that and not take his advice.

1915 And I will not be able to say that Victoria Stadium was a fantastic idea of his. His idea was to spend taxpayers' money building a stadium there for all sports, something that is not going to happen. And I will not give him the credit of saying that everything that is good in this community is his idea, because it is not. And everything that is bad is not of our doing – like S&K, which they also created, by the way, and I just do not have time to deal with all of that. But the arguments we are left with are intellectually bereft, politically moribund and economically illiterate, Mr Speaker.

1920 They are about to do something which I hope they will reconsider. We have now heard their views for voting against this Bill. We have heard our views for voting in favour. I really believe that if they were to think carefully they would reconsider taking the view that they cannot support these Estimates and they would support the Bill. They would do so in the context of everything that they have said in their speeches. That would be on the record. Then there is no need even for an explanation of vote because of what they have said. I disagree with it but they
1925 have said it. They could even have an explanation of vote: yes, but with all the caveats that we have set out. They could even abstain. They could even – and I invite them to do so – walk out, instead of voting no. But the historic mistake that they will make for their own political careers and for this community in deciding to vote against this Bill is absolutely the wrong decision to
1930

1935 make. To be prudent they should not vote to stop patient care. They should not vote to stop the great men and women of our law enforcement agencies from having their wage, from having their equipment. They should not vote to require Neil Costa to decant the hospital and to stop the wages of nurses and of doctors. We have such magnificent nurses and doctors, but I am sure they would carry on working even if the Opposition stopped their wages.

1940 Mr Speaker, this is a sad day if they move on to vote against these Estimates, because it will show that there are people elected to this House now, for the first time in our history, who will be reckless as to whether our society is liquidated and destroyed.

I commend the hon. Lady for having set out the position that she has set out. I disagree with much of what she said.

I commend the hon. Gentleman for what he said last night.

1945 Mr Speaker, I commend the Bill to the House. (*Banging on desks*) Needless to say, I call a division.

Mr Speaker: Okay. 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 2018 be read a second time. A division will now be taken.

Clerk: P J Balban. (**Hon. P J Balban:** Aye.) J J Bossano. (**Hon. J J Bossano:** Yes.) R M Clinton.

1955 **Hon. R M Clinton:** Excuse me, Mr Speaker, I really do not understand what this vote is about. Is it about going to the Committee Stage or the Bill itself?

1960 **Hon. Chief Minister:** Mr Speaker, I commend that the hon. Gentleman does go on that CPA training, because all we are doing is voting on a Bill. We have voted on many Bills since he was elected. This is the Second Reading. This is the substance of the general principles and merits of the Bill and he needs to vote yes or no. This is the vote; this is the moment. (*Interjection*)

1965 **Mr Speaker:** Of course. The hon. Member has to say whether he votes in favour, abstains or is against the Bill now before the House. It is the Second Reading. We are on the Second Reading of the Bill. It is so simple.

Hon. D A Feetham: Yes, Mr Speaker. No, the confusion has been in the way that ... and technically, in fact, Mr Speaker may be right. Mr Speaker phrased it 'We are now voting on whether to go on to the Committee Stage'. That is the way that –

1970 **Mr Speaker:** No –

Hon. Chief Minister: I now put the question –

1975 **Mr Speaker:** No, I said I put it that the Bill be read a second time. That is what I put.

Hon. D A Feetham: This is the vote on the Second Reading and it is on the principles of the Bill, absolutely.

1980 **Mr Speaker:** That is it, absolutely. So how is Mr Clinton voting?

Hon. R M Clinton: No, Mr Speaker.

A Member: Shame!

1985 **Mr Speaker:** Order, please! Let's have an element of decorum.

Clerk: J E Cortes. (**Hon. Dr J E Cortes:** Yes.) N F Costa. (**Hon. N F Costa:** Aye.) D A Feetham.

Hon. D A Feetham: No. Account for the £772 million.

1990 **Hon. Chief Minister:** Disgraceful, that. Mr Speaker, on a point of order –

Mr Speaker: That remark is unnecessary. When we have a division, you just say aye, nay or abstain. Any other remark is totally out of order and therefore the hon. Member must withdraw it.

1995 **Hon. D A Feetham:** Absolutely, Mr Speaker.

Mr Speaker: Thank you. We can be carried away in the moment. I can understand that passions are running high. I will make allowances for that, obviously. (*Interjections*)

2000 **Clerk:** J J Garcia. (**Hon. Deputy Chief Minister:** Yes.) T N Hammond. (**Hon. T N Hammond:** No.) M D Hassan Nahon. (**Hon. Ms M D Hassan Nahon:** Yes.) A J Isola. (**Hon. A J Isola:** Aye.) G H Licudi. (**Hon. G H Licudi:** Aye.) S E Linares. (**Hon. S E Linares:** Aye.) L F Llamas. (**Hon. L F Llamas:** Yes.) (*Banging on desks*) E J Phillips. (**Hon. E J Phillips:** No.) F R Picardo. (**Hon. Chief Minister:** Aye.) S J Sacramento. (**Hon. S J Sacramento:** Yes.)

2005

Voting resulted as follows:

FOR

Hon. P J Balban
Hon. J J Bossano
Hon. Dr J E Cortes
Hon. N F Costa
Hon. Dr J J Garcia
Hon. Ms M D Hassan Nahon
Hon. A J Isola
Hon. G H Licudi
Hon. S E Linares
Hon. L F Llamas
Hon. F R Picardo
Hon. Miss S J Sacramento

AGAINST

Hon. R M Clinton
Hon. D A Feetham
Hon. T N Hammond
Hon. E J Phillips

ABSENT

Hon. E J Reyes

Mr Speaker: There is one Member absent. There are 12 votes in favour and 4 against. The motion is carried.

We now recess until 2.30 this afternoon.

2010 **Hon. Chief Minister:** Mr Speaker, I think I have to say the words about the ... [*Inaudible*]

Clerk: The Appropriation Act 2017.

COMMITTEE STAGE AND THIRD READING

**Appropriation Bill 2017 –
Committee Stage and Third Reading to be taken at this sitting**

2015 **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.

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

Mr Speaker: The House will now recess until 2.30 p.m.

The House recessed at 1.50 p.m. and resumed its sitting at 2.30 p.m.