



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.33 a.m. – 2.40 p.m.

Gibraltar, Thursday, 5th July 2018

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The Gibraltar Parliament

The Parliament met at 10.33 a.m.

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

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

Appropriation Bill 2018 – For Second Reading – Debate continued

Clerk: Meeting of Parliament, Thursday, 5th July 2018.

5 **Mr Speaker:** I call upon the Chief Minister to exercise his right of reply.

Chief Minister (Hon. F R Picardo): Well, Mr Speaker, one must start the day as pleasantly as possible when dealing with something as important as the appropriation of £625 million. How can one not start at least by saying happy birthday to Mr Clerk, who is 59 today. (*Banging on desks*) I understand that all hon. Members, whatever side of the House they may be on, have something to look forward to this afternoon at least, as I am told that there is cake. (*Laughter*)

10 Mr Speaker, the House is meeting today, exactly five years to the day since the hon. Lady and the Hon. Mr Isola contested a by-election. It is the by-election that the Hon. Mr Feetham referred to in the context of some of the debates that we are still having five years on in respect of Credit Finance Company Ltd – just to set that in its historical context – but I think it is absolutely right also to congratulate the hon. Member on half a decade of service to the people of Gibraltar, in particular in the important role that he is carrying out these days.

15 Mr Speaker, I want to start by dealing with matters which have been ventilated in this debate in respect of the public sector, because I think it is absolutely right and proper that we start by recording that this appropriation is, in the main, an appropriation in order to ensure that the public sector in Gibraltar continues to have the ability to function. It is an appropriation – in other words, a taking of the money necessary to run the administration. The administration is not the 10 people sitting on this side of the House, Mr Speaker; it is us together with, most importantly, the almost 5,000 public servants of the people of Gibraltar, whether civil servants or in the public sector generally. It is them – not just us, but in particular them – that deliver the services that this community enjoys, that collect the funding that is the recurrent revenue of the Government of Gibraltar. It is the public sector in Gibraltar that deserves the recognition of Gibraltar for the work that they do and it is the public sector in Gibraltar that those of us who will vote for the Budget will be voting to fund. (**A Member:** Hear, hear.)

20 Mr Speaker, I want no one to think that there is anything other than fulsome support on this side of the House for the Gibraltarian public sector. On this side of the House every civil servant and every public sector employee of the agencies, the authorities or the companies of the Government of Gibraltar – which Members opposite set up – enjoys the full support of this Government.

25 Mr Speaker, I am the Minister for the Civil Service. I believe in a strong Civil Service. It is important that people understand that, because the Civil Service is a hugely important part of what Gibraltar is today, not just because of the numbers of people employed in it but because the Gibraltar we know is delivered by civil servants and public sector workers and what the Civil

Service will enjoy from this Government is support, support, support – because a strong Civil Service, strong public sector, is the backbone of our administration. They are the ones who deliver the policies. They are the ones who make government happen. That is why Sir Joe Bossano was absolutely right that it is important that we are able to protect that public sector, because we cannot afford that they should be anything other than protected and strengthened, strengthened and enhanced.

I want to thank there, Ernest Gomez, who retired in January of this year as Chief Secretary of the Government of Gibraltar and who was Chief Secretary with me from the December in which I was first elected, for the work that he did in strengthening the Civil Service and taking it away from political control as it had been, something that we on this side of the House had no intention of trying to exercise.

I want to welcome and congratulate Darren Grech for the work that he will no doubt do as the new Chief Secretary of the Government of Gibraltar. I am very excited to see how Darren intends to build on the work that Ernest Gomez has done. Ernest Gomez did that work very largely supported by Frank Carreras and Joey Britto, and now Darren Grech is taking that forward for a new generation. When I appointed him, I said I wanted somebody who would be able to endure for more than a decade, somebody who would be the transition between one Chief Minister and the next – although I sincerely hope and believe that both those Chief Ministers will be of the same political complexion and ideology – because the Civil Service provides that continuity between administrations, and whoever the next Chief Minister of Gibraltar will be, she will no doubt be a socialist.

I think it is hugely important that it is therefore clear that with *this* Government in administration, with *this* Chief Minister as Minister for the Civil Service and the public sector, there will be no cuts in the public sector. That is not what is on the cards, Mr Speaker. There will never be any cuts in the Civil Service or in the public sector whilst I am Chief Minister. Efficiency, yes. Cuts, no. Proper control, yes. Austerity *à la* GSD, never. But there will be no waste either and I know that that is what controlling officers will help us to make sure is the case and how we will deliver efficiency, because they have all committed to that, to the control of waste. That is what we are saying and that is what civil servants and public sector workers are saying too. But we will never fall into the Clintonian trap of saying that Civil Service pay is not deserved in some way or that it is just based on relativities, although we do agree – and that is why I have announced it – we do agree with many civil servants and public sector workers that the actions of the former administration in creating so many administrations, so many authorities and agencies and companies, created an upsetting of relativities etc. which must be addressed. That is why, for the first time since the Bunkle and Roberts report of 1983, we are going to carry out a review of senior Civil Service pay.

Mr Speaker, we gave the public sector, the Civil Service in particular, something new when we were elected. We gave them relief cover, which means that every post is filled when somebody is not in post, when somebody is away. We are going to now move to leave aside the employment agencies that the GSD started to use in their time and we are going to move to fill the vacancies in the Civil Service with our commitment in respect of the complement of the Civil Service intact as it was when we were elected, and are going to do that working with the unions that have representation in the Civil Service. That is how we will work to deliver a much more modern, a much more efficient, a strengthened and enhanced public sector and Civil Service in Gibraltar.

Gibraltar's political circumstances are such that we have to pause for a moment to think of this. What would happen if a weak government were elected – if an extraordinarily weak government were elected? We have seen that in Europe. There have been moments when governments have been elected which have been unexpected, that have happened almost by a roundabout side-wind and nations find themselves where the government in effect cannot govern. Well, Mr Speaker, if that were to happen, the Civil Service would become the last line of defence. In other words, because Gibraltar is politically constantly under attack, perhaps more

90 than most nations, we have to have a stronger backbone for our administration than perhaps most nations do. And in that event, if I have one legacy when I leave as Chief Minister – and I hope I will have more than one – it is that I will leave a strong, strengthened, enhanced public sector, and Civil Service in particular, that will be able to see Gibraltar through any such eventuality.

95 Mr Speaker, dealing with the things that we heard more generally from Members opposite, we have not really been involved in a debate in the past three days. You see, in a debate one says something and the other side gives you a different opinion to what you have said based on what you have presented. That is what a debate is about. But in most instances, what we had –
100 aside from Mr Feetham, who, as usual, left nothing to be desired in the context of his contribution, which I will come to later – what we had was prepared speeches. ‘Here’s one I prepared earlier’ is what hon. Members might have said when they reached for their speeches. None of them took into consideration the things we were saying in order reply to them. The tell-tale was that we announced that we were going to do some things only to hear in reply, in purported response, them calling on us to do things we had just announced we were going to
105 do. That is not a debate. At Question Time what hon. Members want to do is debate, and in debate hon. Members just want to read us their requests that we should do things. Well, hon. members perhaps should feature – perhaps the Hon. Minister for broadcasting might care to propose this, given that the proceedings of Parliament are transmitted on GBC – perhaps they should feature in a renewed *Blue Peter*, where they can produce the one that they prepared
110 earlier.

Really, so much has been left to be desired in the contributions that were made, so I am going to make some references to demonstrate that in the context of the things that we announced and that they then called for. In fact, one of the things that is most telling is that even in areas where we are not making announcements, where we are in effect providing
115 explanations for things that they have said, or explaining the finances – Sir Joe Bossano in particular gave the usual tour de force, explaining issues and dealing with contributions that they made in the past, explaining why they were wrong – we face then the same baseless accusations in reply without taking consideration of the things that were put to them.

I was a little taken aback, Mr Speaker, by the lack of imagination that hon. Members displayed, indeed in the way that they even characterised their accusations. The Hon. the current incumbent Leader of the Opposition could not think of a new label for his address. The Big Lie Budget, he said this was. Well, I suppose he knows that that is the label of the 1972
120 General Election – the aftermath of which this House is still dealing with, Mr Speaker, with you and Mr Bossano! (*Laughter*) It is the unimaginative label that Mr Feetham chose for the 2015 General Election. They used it in 2015 to deliver the worst possible election result in a two-horse race in the history of Gibraltar. (*Banging on desks*) It had been used in 1972, and what original thought comes into the mind of the current incumbent Leader of the Opposition to use the same unimaginative label, the Big Lie Budget? But they used that phrase, that three-letter word which we try and avoid in this House. They used it in the way that you have not ruled is improper and I
130 have made no objection; but they used it, so I will use it too. I was surprised that Mr Phillips decided to go down that road, but perhaps I should not have been surprised at his lack of original thought, his lack of imagination. Perhaps I expect too much from him, but I suppose, like so many others, I was destined to be disappointed.

Or what about the other phrase that appeared during the course of the Budget – *j'accuse* – which is what Mr Clinton decided to pursue. '*J'accuse ...!*', Emile Zola's famous headline in the Dreyfus Affair: 1898, Mr Speaker, 120 years old! But nobody was surprised that Mr Clinton should be living in the late 19th century (*Laughter*) and that he should have gone back two centuries for a phrase that he thought might fit, and the fact that he might be lacking in original thought and imagination also was of no surprise to anyone.

140 Mr Phillips went back 46 years for his theme; Mr Clinton went back two centuries for his theme. I am going to pursue that approach, Mr Speaker. I am going to go back, in describing this

book and the things in it. In describing the good book that we are debating today, I am going to go back two millennia and I am going to tell them the things that St John is alleged to have said. I am going to tell them the truth, and the truth will set them free.

145 I know that one of the things that is in vogue is to go back to vinyl records, but scratched vinyl records are not popular even now and they are not going to become trendy by becoming scratched vinyl records. But the way that they keep going back to 1972, to 1898, it was almost as if we were being treated not to a modern *Newswatch* of events – we were being treated to a Pathé News reel of budgets past, or a pathetic newsreel of budgets past, over and over again.

150 When the Chief Minister sits down and the Leader of the Opposition gets up, that is a moment of important political set piece and the person who gets up has to be up to the task. But what a total damp squib we were treated to. It is important, Mr Speaker, that I set out clearly for those preparing the *Hansard* that I am saying damp *squib*: it ends with a ‘b’, not with a ‘d’. We are not in calamares territory. We are in the territory of a squib, which is something
155 that fails ignominiously to satisfy expectations, an anti-climax or a disappointment, as defined in the English dictionary. Apparently, a squib is a form of firework, usually cylindrical in shape, with a paper fuse at one end which provides a mild explosion. Well, Mr Speaker, as you can imagine, when it is damp it does not go very far, but nothing should have surprised us.

Mr Phillips, when he became the current incumbent of the post of Leader of the Opposition –
160 which I do not know how long he will hold for – gave an interview on *Viewpoint* and the next morning and the next day there was not one headline taken from it. The Hon. Mr Feetham when he goes on television usually makes headlines – usually for reasons, I have to point out, that are less than honest and entirely disagreeable etc. – (A Member: Hear, hear.) (Laughter) even a beige colonial book-keeper when he goes on television tends to make a headline, but for the
165 incumbent current Leader of the Opposition to go on *Viewpoint* and give a half-hour interview and for there not to be one headline or piece of news even after the interval on *Newswatch* from what he said demonstrates exactly why we should not have expected anything other than a total political damp squib of a speech when he got up to reply on the Budget this year.

Mr Clinton, of course, was no damp squib. He was more like a wet squib, entirely soaked: the
170 firework that just did not go off. But after Mr Phillips’s reply one can see why it was that the current leader of the GSD, who described Mr Phillips as his subordinate on television – ‘I have appointed Elliott as my subordinate’ ... Appointed – these are the things that happen in the GSD. Nobody is elected or voted for; people are appointed. Maybe that is why the current leader of the GSD decided that he had to go to the GRA to persuade them that in the event of the Chief
175 Minister making a ministerial statement it should not be the current incumbent damp squib Leader of the Opposition who should reply, it should be him, because if the moment came when a ministerial statement was required and if there was a requirement for a response because the circumstances in which a response is warranted were to be made out, I think even the current leader of the GSD felt that the damp squib would not persuade many. And so all of the
180 hullabaloo that we saw from the current leader of the GSD engaging the GRA etc. was all because of what he knew would happen when Mr Phillips was destined to reply to something.

But these are Brexit moments, Mr Speaker. Gibraltar cannot afford damp squibs. We have to be serious in our approach; we have to be engaging in our approach. And each of them – like every other public servant in Gibraltar and every other civil servant in Gibraltar actually does and
185 we do on this side of this House – each of them needs to do a full and effective day’s work with no excuses. They are earning too much money just to come here once a month and ask us a few questions. They need to do more, and that means stopping the hypocrisy of things being okay when they do them and not okay when we do them. They are paid too much for something as shallow and facile as that.

190 But of course the Hon. Mr Feetham, as a Manchester United fan, seems to have inherited the Mourinho style in this respect: when the team succeeds, it is down to him and his magnificent tactics; when the team fails, the players are not giving of their best. (Laughter) Well, Mr Speaker, at least I am satisfied that the public are seeing straight through all of them, Mourinho in

195 particular. All of their assertions are falling on deaf ears. Their hope to represent everyone – everyone – *that* has been their downfall, that which they accused us of in 2011. They used to say, ‘The GSLP wants to be all things to all men.’ They have tried to do that too, Mr Speaker, that which they accuse us of, the mote in their own eye. They have sought to run with the hares and hunt with the hounds.

200 However much I might have disagreed with Sir Peter Caruana, the former Leader of the House – the putative greatest Gibraltarian of all time, according to some – if there is one thing you cannot say about Peter Caruana, it is that he tries to be all things to all men. There are some men with whom he has absolutely no truck and some men with whom he has truck, but not everyone.

205 You cannot say about Joe Bossano that he is all things to all men. Joe Bossano is now a knighted political Marmite, Mr Speaker: you love him or you hate him. I would have him on toast! (*Laughter*)

Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano): No chance of getting toasted!

210

Hon. Chief Minister: No, indeed, because I love him so much!

Trying to be all things to all men just does not work, but it is typical of them to accuse us of that whilst trying to do it themselves.

215 This GSD is a shadow of its former self. The sun has now fully set on the story of the GSD. In their desperation to appeal to everyone they have appealed to absolutely no one. They are devoid of substance, devoid of original thought, devoid of principles, devoid of talent, of vision or of sense of duty to this community. They are, Mr Speaker, a void – and that is what people will do, it is clear to me, when it comes to the next election: avoid them.

220 It has become increasingly obvious that they are driven by personal ambition. There is bitter infighting which is not even hidden behind a curtain, there are power struggles going on which manifest themselves in rapping during the course of debates in this House, and they are unable to keep even a handful of the people who made that party great in the days when it was beating us in general elections. They cannot keep them as part of any *esprit de corps* to go forward. And it is not as if there is any white knight on a white charger in the wings trying to save the GSD. That knight slipped into the sunset in 2015.

225 On the economy, what have they said? Nothing. What contribution have we had from them on where the economy should develop or not develop and how to better improve the public finances? They have had a row with us about what is in the book and what is not. They have not told us what they think could make Gibraltar better, what they propose we should be doing to improve Gibraltar. None of that. And on our public finances they are wrong, wrong, wrong. On the economy they are weak, weak, weak, to such extent that anybody watching their performance in this House who is a voter will realise that their salaries are wasted, wasted, wasted.

235 And so, Mr Speaker, I am going to turn now to deal with each of their speeches in order of importance. I am going to deal with the independent Member last, not because she is any less important but because she is independent and she spoke last, but the rest of the speeches I am going to deal with in the order of importance in the context of this debate, given what they have said.

240 I will start with the speech that clearly, however much of a wet squib, was designed to lead the Opposition in this debate, and that is Mr Clinton’s. Mr Clinton came here looking for problems. People, when they come into debates, tend to say, ‘I am here to be constructive’; Mr Clinton may as well have started his debate by saying, ‘I am here to be destructive.’ He does not want to look at what is in front of him, he has no interest in the good book; he is trying to look for what is not in the book. He does not want to believe anything is positive. He is not about
245 to project any of the things that we are doing. In fact, he does not want to see any project

prosper. I think he would say no to everything proposed to him if he were ever to become Minister for Finance, which is the post that he covets.

He has said that the Minister for Finance should not be the Chief Minister. I am surprised therefore, Mr Speaker, that he went for the leadership of the party, because the person who is
 250 leader of the party stands to be Chief Minister and he would have had to appoint somebody else, by his own standards, to be Minister for Finance – probably a lawyer. So the accountant would have been Chief Minister and the lawyer would have been Minister for Finance. Okay, that’s logical! But he would say no, as Minister for Finance, to anything a Chief Minister might propose to him. You see, I think he sees himself as an all-powerful Chancellor of the Exchequer.
 255 Can you imagine him, Mr Speaker, as Chancellor? I think all hon. Members would think that he would be probably the worst Chancellor in the history of chancelleries around Europe because he would say no to absolutely everything. He has had nothing positive to say about any project we have undertaken. Can you imagine it, Mr Speaker?

Minister for Education in the Cabinet: ‘Minister for Finance, we need to build new schools.’

260 Minister for Finance: ‘Accountant says no.’

‘We need to build a new Primary Care Centre.’

‘*Buzz.* Accountant says no.’

‘We need to build new facilities for the Island Games.’

‘*Buzz.* Accountant says no.’

265 Mr Speaker, accountant says no, accountant says no, accountant says no. He has not said yes to anything! No imagination, no vision whatsoever. But imagine, in that fictional *Mad Max* world where they might have won a general election a thousand years from now:

‘Please, Chancellor,’ says the Chief Minister, ‘we need to build more affordable homes.’

‘*Buzz.* Accountant says no.’

270 You cannot build families without homes and you cannot educate children without schools. You have to build them, you have to build them to the standard and they have to be to the standard required. Accountant says no, a bit like *Little Britain* and ‘Computer says no.’ But it really would be a little Gibraltar then, wouldn’t it? No progress whatsoever, no development whatsoever, no growth whatsoever and not going anywhere. Gibraltar and their Chancellor Roy
 275 Clinton: accountant says no.

We need more homes for our people. We need more schools and better schools for our children. We need new primary care facilities. We need to provide better services. Accountant says no is not the answer. He would crush our people’s ambitions under his abacus. The 1970s colonial book-keeper would replace the engine of our economy that is the GSLP/Liberal
 280 administration with a GSD engine that only has reverse gear. He would not take us back to the future; he would take us back to the past, to 1898, and indeed *j’accuse* Mr Clinton that that is where he would take us, back to the 19th century. He might shadow Heritage, but that is not a reason for taking us back in time! (*Laughter*)

I think the problem is that he sometimes does not see what is in the book. He *loves* the book.
 285 It is the good book for him. He wants more in it, more pages; he wants a longer thing to read. But he does not even look at what is in it. He asks us for accounts of this and of that, and then he does not look at the accounts, as the Hon. Gilbert Licudi MP demonstrated the other day in his very effective prosecution of him in respect of the accounts of the Gibraltar University. Although there are things in the book, he does not see them and he makes negative assumptions in order
 290 to replace his failure to understand, and he does that by creating the view that there is somehow something unsavoury going on. Of course, Mr Speaker, he is a man in his early 50s who has retired as a bank manager and has qualified as an accountant, and so people give him – or gave him – an element of credibility, they gave him a chance: ‘Oh, if Roy is saying this, there must be something to it.’ Now we have demonstrated, and today I will further demonstrate, that
 295 he does not deserve that credibility because, every time, he prefers to infer something negative rather than seek to understand it. And so I am going to go through Mr Clinton’s speech in great

detail to show that every single assumption that he has made is wrong, every single one of them. Not one of them is accurate; all of them are wrong.

300 Mr Licudi completely demolished him on the University, but then he went on social media when I posted Mr Licudi's demolition of him, and put up a rather pathetic riposte that said, 'Oh, Licudi wasn't dealing with recurrent, he's only dealing with capital.' Even that pathetic response was wrong, and that demonstrates there is no humility in the man, because if he has read anything, as I will demonstrate, he will have realised he was wrong and he should have just said, 'Fair enough, no problem – read the wrong line, got it wrong.' I will probably come to that later
305 in my speech, Mr Speaker, because I want to go through other aspects of what he said that were completely wrong.

Really, with Mr Clinton it is a question of turning up for a football match and then deciding that he does not like the rules of football and he wants to play handball on the football field, or, like Columbia, who turned up to wrestle against England a couple of days ago, not abide by any
310 of the rules. In the end the arc of fairness bends towards justice. Justice prevailed and England won, and I will show today why, if you turn up to play the rules of Gibraltar politics under the Gibraltar Constitution and the Public Finance (Control and Audit) Act, you cannot change the rules when it comes to interpretation.

This session, this appropriation, is about *this* book, not anything else; *this* book, under our
315 Constitution and under our Public Finance (Control and Audit) Act. Mr Bossano has shown in his intervention that this book is prepared in the same way as it has been and the things that are not in it were not in it before. I will have to do an element of that also, taking other examples which Mr Bossano did not take.

This is the Appropriation Debate: let's give it its full name. The word 'Budget' is shorthand. It
320 is about what we appropriate, or take, from the income that we have to run our affairs as a nation, and what we appropriate is in this book. In other words, of the £650-odd million that come in, the £624 million that we take from it is here. We cannot appropriate more than comes in, and that, if we did, would be what might produce a deficit, not the novel definition of deficit that the hon. Gentleman had to conjecture in order to try and persuade anyone that we were
325 heading for anything other than surplus.

Of course there are things outside the book as well, sure there are, but they are not hidden. How could they be hidden if he knows all about them because we told him about them? In their case, when they were in Government and those who were not in Government at the time – Mr Feetham was, Mr Reyes was – were cheerleaders for those who were in Government, except
330 Mr Phillips, who was a detractor of them then in the PDP, when they were in Government outside of the good book there were car parks, there was going to be a power station and a hospital. Were they hidden? Well, they were as hidden as the car park that we have done, the schools that we are doing and the power station that we have done. In other words, not hidden at all. They were just as hidden then as they are now.

335 Mr Feetham in 2003 said he was against the PFI. He has been consistent in that from 2003 every time that Sir Peter has not been in the room, (*Laughter*) and I will come to an analysis of that, Mr Speaker, later on. All the others have blithely gone along with having things outside of the book – car parks and power station etc. When they did it, it was fine; when we did it, it is hidden. But do they see that there is actually a complete and utter symmetry between what they did and what we did? They invented it!
340

I think they have to continue to pursue this line – although Sir Joe really indicated to them why they should not – because if they did not say that, what would they say? It is very difficult to give an Opposition speech that says, 'We congratulate the Government because unemployment is down to record lows. We congratulate the Government because tourist arrivals are up. We
345 congratulate the Government because of the work that Minister Isola is doing and how fantastically well the international bank is doing. We congratulate the Government for the work being done on the estates and for lowering the arrears. We congratulate the Government for the magnificent sporting facilities.' Mr Speaker, it is impossible. At least they congratulated the

350 Government, rightly, for the work that the Deputy Chief Minister is doing on Brexit and some of
the work on air quality that John Cortes is doing – at least some of them did; some of them
criticised it too. I recognise how difficult it is, given the reality of what we face them with and
they have to invent something, but to continue to go down the same scratched record every
year and that scratched record actually is the thing that they used to do themselves, denies
them any credibility. If they do not make up a spurious argument, they have got nothing to say.

355 Of course there are Government companies – surprise, surprise – we inherited them. Of
course we have borrowing – surprise, surprise – they introduced the concept. The borrowing is
used for capital projects – surprise, surprise! I will demonstrate to them how they did that too
and they were cheerleading at that time. (**A Member:** Rent-a-Goon’s.) They have gone from
cheerleaders to doing the rhumba of depression because of exactly the same music. The
360 difference is that we are preparing the accounts of all the companies, which they did not
prepare. We are catching up on some since 1996. Yes, we are late. Of course we are late: we are
two decades late on the ones that they stopped providing since 1996 because we had to rebuild
the accounts; and we are late on some of the accounts for some of the companies that we
formed – yes, true. But should we stop everything because we have not published the accounts?
365 Because we have not published the accounts of the companies of the companies that they did
not provide accounts for, we should stop all activity just to satisfy one man’s curiosity? Curiosity
killed the cat and it is going to do for Mr Clinton’s credibility. So should we stop the new schools
and should we stop the Primary Care Centre etc. because we cannot satisfy Mr Clinton’s
curiosity? Of course we should not, because our community matters more than his curiosity,
370 even if accountant says no.

We are almost there with all of the years of Credit Finance Company Ltd. It is not for lack of
trying that we have not been able to complete the accounts, but the problem is that the
economy that we are dealing with, the economy on which they have made no proposals, is firing
on all cylinders. That means that accountancy practices are very busy indeed. The first few
375 months of every financial year they are very busy with statutory deadlines for the banks and for
insurance firms. They are busy because they have more business than ever, busy because Brexit
has not destroyed business, which has stayed in Gibraltar. These firms do their statutory work
ahead of anything else, and when they have done all this and they have resumed their work the
accounts of Credit Finance Company Ltd will be ready.

380 I can assure him, Mr Speaker, that he will have the accounts filed in Companies House by the
time we resume after the summer. And because it is a large company, the full accounts will be
available to him, save for the first two years when it was not a large company, and then he can
knock himself out. It will be balance sheet porn for him. (*Laughter*) He should not give us a blow-
by-blow account of what he sees there (**A Member:** Ooh!) because we will have filed them, so
385 we will know what is in them. I do not know what it was that went through the hon.
Gentleman’s squib there... [Gasp].

On Gibraltar Capital Assets, I understand he has had a conversation with one of the
Government’s advisers and he is satisfied with what is going on in respect of those accounts. On
Gibtelecom the accounts have required an assessment of the pension scheme, and that is why
390 they are delayed. On the Gibraltar International Bank, the magnificent accounts that they are
going to file are ready. They are all in good time, so everything is going exactly as it should,
subject of course to the underlying delay to the group of Government companies because of the
two-decade delay that we have inherited from them. We will give the Opposition what they are
required by law, which will be therefore much more than we ever had access to in respect of the
395 same companies when they were in administration. We are, you see, Mr Speaker, a new dawn in
that respect, but their night still casts a long shadow because it was *his* decision not to file the
accounts.

But we are not here, not to discuss those accounts; we are here to discuss this book. This is
where the appropriation comes from. *This* book is what deals with the recurrent income and
400 expenditure of the Government and, as Sir Joe showed, it covers everything it has always

covered. That is what the House needs to assess. In fact, in respect of recurrent activity, there is precious little in the companies; precious little! *They* created the Bus Company – GJBS has been there not since the GSD, since the GSLP – and the Airport, Mr Speaker. Other than that, there is no recurrent income in the companies. That is it. And they put that outside of the book too. They
405 put the Hospital outside of the book, they would have put the power station outside of the book and outside of the book they would have raised the cost of electricity to pay for it 5% a year for 20 years, 100%, or – as people remind me every time I say that on Facebook – more, because of the compound interest that that would have attracted. The car parks they put off balance sheet and the affordable homes, because the affordable homes have always been outside of these
410 estimates. The first instance was the Hospital. The housing are large infrastructure assets; they have never been put through the I&D, and a good thing too. Doesn't he know, or has he forgotten, or has the lack of corporate memory denied them the ability to understand the importance of the case against GRP in Madrid? Maybe he does not know – that is why Mr Phillips speaks from complete ignorance.

415 When the GSD were in administration they marched off site a Spanish contractor at Waterport Terraces. The liquidator of the Spanish contractor is suing the government for many tens of millions of pounds in Madrid – suing GRP, of course, because the housing is done through a company, not here; otherwise the claim for many hundreds of millions of pounds would have been against the Government for a Spanish liquidator. It is a good thing that the
420 liabilities of the companies are not the liabilities of the Government, and if there was a Government guarantee for the liabilities of the company, hon. Gentlemen would know, because they cannot pretend that the companies have guarantees of the Government because the Government cannot guarantee constitutionally and under the Public Finance (Control and Audit) Act without coming to the House for a guarantee.

425 So we have done exactly what they were doing. The power station: tick, just like them, in a company. The car parks: tick, just like them, in a company. The houses: tick, outside the book, through a company, just like them. And now the schools are going to go outside of the book. So what? I have told them already. I told them in answers to questions that we would make an announcement as to the financing of the schools when we had finalised the details of it. Well,
430 Mr Speaker, isn't it obvious? This is hardly a mystery, although frankly he is casting himself a little bit like Inspector Clouseau here, creating mysteries when things are straightforward. We told them the schools that are being built at the site of the new comprehensives are going to cost £52 million, so where is the secret? It is true that that £52 million is not reflected in the book, but I have told him we are not doing them through the book, just like the cost of the car
435 parks that they did, the cost of the power station that we are going to do, the cost of the Hospital etc. It is that simple. [Their virtue, in having done it that way they pretend is our vice for doing exactly the same thing.] In fact, when we debated it – again, because we have debates with them at Question Time, not at debates time – the Hon. Mr Feetham did an analysis to attack us for doing the schools too efficiently at cost. The sum total of the GSD attack on the
440 new comprehensives and the financing of them was to say, 'You're building too cheaply. Are you sure you're going to build it for this?' In fact, Mr Phillips yesterday said, 'It is going to cost £75 million. It is not going to cost £52 million, it is going to cost £75 million because it is not fitted out,' and Mr Feetham did one of his alchemic calculations and said, 'You're building for less than £1,000 per square metre. This is not possible, surely, because nothing has ever been built this
445 efficiently before.' So, in fact, there is efficiency here, no mystery. I am not Agatha Christie writing a mystery book for the hon. Gentleman. He is no Hercule Poirot exercising his little grey cells. He is more a Clouseau, bumbling over himself even when the evidence is just in front of him.

450 Given that he presents himself as a financial guru, the expert on public finance etc., it was so poor of him to get up and deliver one that he had prepared earlier in the light of the statement that Joe Bossano made going exactly to the core of what he was going to say, that he demonstrated that he is no expert at all; very poor indeed, ignoring everything Sir Joe had said.

And indeed, Mr Speaker, if any of this company borrowing outside of the book were a valid premise on which not to support the Budget, on which to vote down the Budget, then it would have been just as valid a premise on which they should have voted down all of the GSD Budgets from 2002 when capital expenditure starts to be channelled by company borrowing under the GSD. What happens in each of those Appropriation debates? The GSLP votes in favour of the Budget. I will provide that in detail when I come to respond to the hon. the spiritual leader of the Opposition's speech, that of Mr Feetham.

I am going to go now, in more minute detail, not just through the concepts of what Mr Clinton has said but through the actual detail. He asked me for answers, so I am going to give him the answers, but he is not going to be very happy when he hears them; he is going to be very embarrassed, I think. In doing so, Mr Speaker, I will uncover that this is no Big Lie Budget, but that theirs was a big fraud reply. I will show that his theories are twisted and that they are designed to twist the figures, and in that way it is his approach which delivers the financial trickery of which he – disgracefully, in my view, and unfairly – accuses all of those officials who prepare the numbers that go into the good book. So I accuse him, Mr Speaker. *J'accuse* Roy Clinton of being a transparent political fraud of the highest order and I am going to prove it. I am going to prove that he and Mr Feetham are of course entitled to their misguided opinions, but what they are not entitled to do is to make up the facts as they go along. That is twisted, that is trickery and that is political fraud.

One thing that will become clear is that although Ms Hassan Nahon wants to exclude white male lawyers from this House, it seems that Mr Clinton would love nothing more than to be a white male lawyer, given his attempts to build a case against the Government, although I think he tried to argue like an unconvincing middle-aged Rumpole and he tied himself in knots. There is nothing worse than an accountant trying to be a lawyer – or a lawyer pretending to be an accountant, to be fair. Only a very special creature could command both of those disciplines, and he is not one of them.

His first lament was that there is no Finance Bill: 'There is no Finance Bill,' he said, 'so I have no time to consider what has been announced as a Budget measure.' Well, if that were a good reason to vote against the Budget, a very good reason to have voted against every single GSD Budget. There has been no Finance Bill in this House with the Budget since 1996. This is what he said:

Indeed, we in this House today do not have the ability to debate or vote on those Budget measures as all that is before us is the Appropriation Bill. If we had a proper Finance Bill, Standing Orders would allow for a reasonable recess to enable the Opposition to digest the measures and prepare a considered response. Evidently, Mr Speaker, the Government has no interest in scrutiny by the Opposition and regrettably there is not a great deal we can say about what he has announced today.

Mr Speaker, let's be very clear: there is no democracy in the world where the Government turns up for a Budget with pre-printed drafted measures, because to do so would impact on the measures themselves. Duty is increased almost retrospectively, otherwise we would be giving importers an unfair advantage. Of course it is a surprise, because if there were a leak – if we produced a Finance Bill for discussion – then the exchequer, that of which he wants to be chancellor, would be deprived of revenue. If we were to do that we would be accused of not looking after the taxpayer's interests. The Budget is intended to be a surprise, in the United Kingdom, here and everywhere else. The public speculate about what might go up and what might go down and only a handful of trusted advisers know for certain what is going to happen. That point is so straightforward he is embarrassingly wrong. Or does he think that in any other parliament in the world people are given advance notice of a Bill that says tobacco will go up by 50p and not see MPs rushing out to get a carton of 20 and fill their cars with diesel on the Saturday or Sunday before the Chancellor announces the Budget?

Then he moved on to the issue of Budget expenditure and he said:

Total recurrent revenue peaked at £655.7 million in March 2017 and we now see the outturn for March 2018 to be lower at £635 million; and yet recurrent expenditure as a proportion of revenue ... is growing from 88% in 2017 to 94% in 2018, and in the estimates for 2019 to 96% ... This is a worrying trend that does not allow for much of a buffer should Government revenue suffer a downturn next year ... And in those percentages I have included already the £25 million that is appropriated to finance Government Companies ...

500 Thank you for recognising that we do that, which was never done by the GSD – give
re-election in 2011, demonstrating therefore that there were companies that needed money.
And if he does not believe that, he should read the doomsday memo I received from Dilip
Dayaram.

505 He says the threshold between the Government's income and the Government's expenditure
'is going to go from 88% to 94%, and I am very worried about that, and next year it's going to go
to 96%. I'm very worried about that, that ratio from 88% to 96%. I am very worried about that.'
Keep in mind the issue of that 88% ratio, Mr Speaker, and he says it is worrying because it is
going to 96% ratio.

510 Governments are prudent. We underestimate revenue and we overestimate expenditure.
That is how you do these estimates to ensure that you do not come a cropper. That is not novel.
Even a rookie accountant should know that. But if you look at the last 10 years' estimates and
compare to the forecast, you will see that Government usually exceeds the gap – always, every
year – by some margin. In other words, Government revenue is usually more than estimated –
that is why we have estimated conservatively – and Government expenditure is usually on or
515 thereabouts. In the time we have been in government we have made, on average, 141% above
our estimates. That means that our outturn was almost 2.5 times the estimated surplus when it
comes to revenue. I am not saying that Mr Clinton is wrong to be cautious – he is right to be
cautious; we are cautious too – but what he should not do is to try and mislead or twist in doing
so. That does not mean that next year will be a fabulous year. I do not know what sort of year it
520 is going to be, we will see towards the end of the year, but we on this side of the House at least,
and I think everyone in our community perhaps, except him and them, hopes that it will be a
very good year indeed. What we do is we apply a consistent approach, a consistent formula to
estimating and forecasting; and if we get it wrong, we get it wrong, but what we should not
allow is that somebody should try to mislead and manipulate the figures. That is what he has
525 done. He has manipulated the figures in order to get to this idea of a ratio of 88% going to 96%,
and I will demonstrate that.

530 Manipulating the figures is like massaging the figures, that thing which Mr Phillips in one of
the banker phrases that he has regard for decided he would accuse me of: massaging the
figures. Well, Mr Speaker, he is about to find that the only masseur in this House is Mr Clinton –
and he did not give us a very happy ending in the massage that he pretended to give the figures.
He tries to argue that the revenue is becoming unbalanced: 88% ratio, 94% ratio, 96% ratio. This
is a geeky point, but it is important to understand it and it is important to show how he got it
535 wrong – embarrassingly wrong, in fact. He uses the average margin of ratio over 22 years to say
that there is a worrying trend that does not allow for much of a buffer. That is how he gets to his
ratio of 97.7%. In fact, what he is trying to do is baffle us all. With his crooked calculator what he
is trying to do is to look for an outcome that will somehow paint the worst picture of the
economy. He obviously thinks that all the rest of us are intellectually bereft, or that we will be
540 overpowered by his magnificent prowess. But we are not, Mr Speaker. It is a simple calculation
of averages and percentages. What he tries to do is to try and misdirect the eye of fellow
Members of the House and of the community.

540 Let's remember what he said: 'recurrent expenditure as a proportion of revenue ... is growing
from 88% in 2017 to 94% in 2018, and in the estimates for 2019 to 96% ... a worrying trend that
does not allow for much of a buffer ...' Those are his words, Mr Speaker – direct quote. This is a
complete, fraudulent, manipulation of the facts. It is not correct because he does not compare
like with like. You see, when he quotes the 88% for 2017 he is quoting the ratio for the forecast

545 outturn – (Hon. R M Clinton: No. Actual.) No, forecast outturn, and as I have said previously, we
 always underestimate revenue and we overestimate expenses, as any prudent accountant does.
 Therefore, estimates laid before this Parliament for the year ending 31st March 2017, for which
 he quotes 88%, actually reveal a 97% ratio. He has got his numbers wrong. He has got to get out
 the crooked calculator again. He has got his numbers wrong, so for 2018, the outturn for that
 550 year is indeed 94%, but the estimate when it was laid before Parliament for approval actually
 projected 97%. So if you want to find a trend and you compare apples with apples and pears
 with pears and you do not take a melon and compare it to a *chirimoya* (*Laughter*) the trend that
 you see is this: for the financial year 2012-13, 96% ratio; for the financial year 2013-14, 97%
 ratio; for the financial year 2014-15, 94% ratio; for 2015-16, 97% ratio; for 2016-17, 97% ratio;
 555 for 2017-18, 97% ratio. Can he see the trend? Or shall I spell it out for him? There is no jump in
 ratio from 88% to 94% and then 96%. There is almost a metronomic, steady, consistent ratio of
 96% to 97%: metronomic, consistent, prudent, cautious; no jump from 88% to 94% and then
 96%.

560 So was this a rookie error again? Or is this actually an attempt at public deception? Well, he is
 no rookie anymore. He has been here for three years, so I am no longer going to give him the
 benefit of the doubt. We can no longer incline towards thinking that he is making mistakes. We
 have to incline towards thinking that this is an attempt at public deception.

This is hardly the worrying trend that Mr Clinton suggests, because if you look at the ratio in
 the times when he was a cheerleader for the GSD, the ratios were still 96%. In 2004-05 the ratio
 565 was 99%; 98% in 2005-06. It carries on in the mid to high 90s. In fact, if they had contributed
 £25 million to the companies in expenditure, their ratios would have been off the 100% chart. So
 he had better get out the crooked calculator again and start doing the numbers and not pretend
 to say that there are ratios out there which should scare people, because the trends that he
 calculated are wrong. The trends are wrong. He needs to stop trying to fraudulently deceive
 570 people, which is what he is trying to do, especially given the huge deficit that they left us in the
 companies, a real deficit – in other words, when there is not enough money, not a surplus,
 which is what he calls a deficit.

And then he moved on, with even less luck, to an analysis of the Consolidated Fund. He said:

Mr Speaker, I was shocked to see that for 2019 the Government is actually projecting ... a budget deficit

– a budget *deficit*, he said –

of £19 million, *without* taking into account its contribution to Community Care *even* at its 2018 level of
 £15 million.

575 This is a continuation of the attempted public deception, a continuation of wanting to pull
 not the wool, the whole sheep in a jersey over people's eyes. Once again, Mr Clinton's Inspector
 Clouseau tried to play with the figures and tried to turn something that is transparent and
 positive into a negative, untrue mystery. By no stretch even of Steven Spielberg's imagination, or
 of the numbers as elastic as he might want to make them, are we projecting for a deficit of
 580 £19 million, or any deficit at all. It is just not there. If he thinks it is, he should have gone to
 Specsavers. To say the contrary is to turn Mr Clinton's Budget reply into what it is: the Big Lie
 Budget reply. We are projecting for a *surplus* of £24 million. That is how surpluses are measured.
 The surplus is added to the opening cash pile and the remaining cash is applied to the I&DF and
 gifted to Community Care. To say there is a deficit is utter nonsense, so much nonsense that
 585 there is no definition of deficit even in the *Longer Oxford English Dictionary* of 20 volumes –
 which is my prize possession – that can be relied upon to make out the case that he advances.
 He is getting quite nervous now, Mr Speaker. His fingers have gone, he is holding up the book,
 he is getting shaky. He is calling black white – or, in his case, he is calling black beige. He is
 deceiving in the face of the facts.

590 Take the last year of the GSD, the year 2011-12. They projected for a surplus of £21 million
and they projected for a contribution of cash after the surplus of £86 million. By Mr Clinton's
newfound measure, the GSD would have been projecting a deficit – a GSD deficit – of
£64.5 million. If we apply his calculation to their book, the GSD went into an election year with a
projected deficit of £64.5 million. Does he now understand how foolish his point is? The knight
595 would not be pleased to see his final financial legacy to the people of Gibraltar to be a Clintonian
definition of deficit of £64.5 million. Is that seriously what he is saying? Of course he is not
saying that, Mr Speaker. Nobody can interpret the figures in that way and we will not allow
them to distort the figures in that way either, but it shows his complete and utter transparent
hypocrisy.

600 He is supposed to be, in the presentations that they do of him, a shrewd accountant: he
should know the difference between surplus and cash. And as we have explained previously, the
obligations to the Ministry of Defence under the land deals require us to pay now those
developers and contractors who are building the homes that we deliver under the lands deal,
although we will receive the income in respect of the tenders of the properties sold in the next
605 financial years. But that was Sir Peter Caruana's land deal and his timing, by the way. We are
performing on their obligations. As I told the House earlier, that means next year when the
estimates are prepared you will see a large cash receipt anticipated in the year 2019-20 – not
this book, the next one – when we sell the properties out to tender, and then there will be no
need to contribute spare cash into the I&D. I said in my speech there was this two-year effect. I
610 could not have been more open about it, but I should not be surprised that he ignores it,
Mr Speaker, because he even ignored everything that Sir Joe Bossano said about the companies.

Then he went on to the Improvement and Development Fund. He said this, as if he were a
political Pontius Pilate:

the Improvement and Development Fund ... has signed a death warrant for this Budget if it needed one.

This is because:

in 2018 it is being emptied such that from an opening balance of £7.9 million it is being left with nothing more
than £319,000.

615 This was, Mr Speaker, as much nonsense as everything else that he said: a 'death warrant'
with £319,000 left in the I&D. In fact, I almost feel uncharitable for having accused Mr Llamas of
doing the in-and-out dance – in, out, in, out, and shake it all about – in politics, because the
person I should have accused of doing the dancing is Mr Clinton. He is doing the Twist all the
time, every time he gets his calculator out, what he does is the Twist. He tries to twist every
620 single figure, or at least he is trying to bend everyone round the twist trying to concoct an
absolutely untrue and nasty argument about the estimates.

The first point I will take to disabuse people over the trickery he attempted is to explain the
I&DF. I am sorry that I have to explain it, but unfortunately it seems he does not understand it.
The Improvement and Development Fund is a fund the Government uses to meet capital
625 expenditure. This will be relevant to the explanation I give him later in respect of the University.
The balance of the Improvement and Development Fund at the end of the year is added to the
Consolidated Fund and forms part of the Government's total cash reserves. So it does not really
much matter where the cash rests, be it in the Consolidated Fund or the Improvement and
Development Fund; it is the total of both of these funds that make up the cash reserve. Has he
630 got that? But because now he says that this is the death warrant of the Budget, I am going to
have to explain it.

He said so much about the cash reserve being left at no more than £319,000 in the I&DF that
he has tried to pretend it is a problem. Well, what happens every year is that unless there is a
capital profit in the form of land sales or another capital item, is that an amount of money is
635 transferred from earnings to fund the long-term capital items. It is the equivalent of a family

taking an amount from their salary and using it to refurbish their kitchen or bathroom, a one-off thing they are going to do. It is not something they do every year, they do it on a one-off basis; that is why it is capital – it is not an annual event.

We inherited an Improvement and Development Fund in December 2011 at £337,000 –
640 death warrant territory, by the definition of Mr Clinton, but of course the death warrant should not be for this Chief Minister, it should be for the knight that he eulogised. The end of that year it was supposed to be at £750,000 – not £7 million, £750,000. In the two previous years the balance for 31st March 2011 was £500,000, death warrant territory; but in December 2010 it closed at £124,000, double death warrant territory. And the Minister for Justice then was the
645 Hon. Mr Feetham, Gibraltar's second Minister for Justice – as I will explain in a minute, not the first. A hundred and twenty-four thousand pounds: double death warrant territory, because if death warrant territory is £317,000, what is £124,000? Does he want to kill Sir Peter twice for that? Low balances in the I&D are nothing new and nothing that should sign the death warrant of a Budget, as Mr Clinton has sought to so dramatically put it. And what happens in the
650 following years shows my Government's prudence, Mr Speaker.

Mr Clinton should know it was the GSD that entered into the lands deal with the MoD, so we acquire land from the MoD but before we get it we have to build them homes for their people because their people are living in the properties that we are going to take. So, in 2012-13 we receive some plots of land, which are not residential, in some other areas and we get some land
655 sale value in, but then we have to start building. We receive £11.1 million in that financial year and during that year we spend £0.9 million in what are known as 'relocations'. So, at that time we had received £10.2 million more than we had paid out, but in order to ensure that this £10.2 million was not spent on things which were not the MoD lands deal obligations that we had, my Government made the prudent decision that the money should be left in the
660 Improvement and Development Fund. (**Hon. Sir J J Bossano:** Ring-fenced.) It was ring-fenced for the purposes of meeting the obligations of the lands deal which they entered into. And so the closing balance in 2012 - 13 was £10.7 million: £124,000 under them, £10.7 million under me.

The work then continues, and so by 2013-14 a further £4.7 million of sales, of the less large parts of the MoD estate which we acquire, but we spend another £2.3 million, so the balance of
665 works over receipts of income etc. was £12.6 million, which stays in the Improvement and Development Fund because my Government makes the decision to ring-fence the money in there, to be prudent and to ensure that we can deliver on our obligations. The same happens in 2014-15 and 2015-16, where the I&D grows further to £14.1 million and £19.4 million respectively, reflecting that obligation and where we are on sales versus the cost of building
670 those relocated properties for the MoD.

And then the balance starts to shift. In 2016-17 we are doing more work but we are receiving no properties by this time, so we are doing no sales. But this was planned for, it was designed to be that way – and they planned it. We inherited that and that timeline. What we did not inherit was the obligation to keep the money in the I&D; that was our decision, but they planned the
675 works – the period of the works and the handover of properties and when those would come – with the MoD and we adhered to it. So it cannot be a surprise to them unless they are not talking to each other, unless they do not know what the GSD left hand was doing now that the GSD right hand is complaining about it.

So, rather than top up the I&D Fund we run the balance down, because that is what the
680 money was there for. The money was there for the building of the MoD relocation, so that is what the money is being spent on. And so the estimate for the year ending 2018-19 is that the Government will have spent £59.4 million on the facilities at North Front and will have received at that point £23.6 million, because it is when the MoD move to those new properties that we have built that we then get the properties that we are selling. That is why it is not necessary to
685 keep funding the I&DF, not for any other reason. The Government has used the fund in the book as a tool to ring-fence and keep tabs on the money, on this specific project, and show and monitor for ourselves and for the House how the balance of the payments to the MoD is going.

At the end of this year, if everything goes according to plan, we will have spent £35.8 million more in delivering the relocations than the Government has received by way of revenue. I said as much in my speech. I told him there would be that two-year effect, but we also expect the revenue to come in the year 2019-20 to correct the imbalance – and we would have expected an accountant to understand that. Sometimes the flows do not occur in the same financial year, especially when you are building, but it is a commitment by the GSD in their last MoD lands deal which is contributing to the reducing cash whilst we continue to project for a surplus. It is no death warrant; it is the honouring of the agreements that they entered into. In fact, the balance of cash is made up of both the Consolidated Fund Balance and the I&DF balance, so it is either a rookie error or it is a mischievous accountant trying to distort things. In fact, Mr Speaker, I think now I have demonstrated that he should not call himself Rooke on Twitter, he should call himself Rookie – he should add an ‘i’ if he wants to have any credibility left, because better a rookie than a crook.

But given that the above balance is not really an issue, if £319,000 in the I&DF is a death warrant, what does he think about the £500,000 it was in 2011 or the £124,000 that it was in 2010? Is he going to turn a Nelsonian blind eye to that? If reducing it from £7.9 million to £319,000 is the death warrant, then the bubonic plague must have hit the I&DF in 2011 because in 2010, where I have told him the closing balance was £124,000, it reduced from an opening balance of £85,281,000 to £124,000, a reduction in the year of £85 million. How many death warrants does that deserve by his standards? We did not seek a death warrant, we did not disown the Budget, we did not distort it; we voted in favour.

What is happening is that the results that we are producing are too good and hon. Members opposite do not want to comment on them favourably; they just want to rubbish them and so they want to concoct trends and they want to concoct death warrants. The irony is he tries to turn our success against us. He turns a huge positive into a negative, or tries to. It is typical, but there is no chance, Inspector Clouseau, that you are going to get away with that. There is no mystery to resolve here. It is straightforward and honest, like people at the Treasury and the Ministry of Finance who prepare the estimates, straightforward and honest people, and those are the things he tries to twist.

Mr Speaker, he should listen carefully, I will say this only once: he is trying to cook the books. He takes the largest forecast outturn surplus ever produced in this Parliament, of £75 million last year, and he tries to identify a ratio that suits his purpose of 88% of expenditure over revenue. Next, he takes the forecast outturn for the year gone by with the Estimates Book that is before the Parliament for approval, an estimates book which he in any event had concluded was not worth voting for. And so a year with a very creditable surplus of £36 million higher than the ones that they ever declared, but of course does not produce the result that the £75 million one produces in ratio terms, he says produces a ratio which is unacceptable.

Mr Speaker, what you have there is the start of a sequence that shows what he alleges is the worrying trend, and then he tries to establish that and says we are going from 88% to 94% to 96% etc. But that I have demonstrated is also not true, so neither the death warrant nor the ratios. There is nothing here to warrant any of the concoctions that the hon. Gentleman is doing.

In fact, Mr Speaker, he is so embarrassed he is hiding behind a newspaper. He has not got his favourite beige *Financial Times*, he has got the magnificent *New People* in this House, (**Two Members:** Hear, hear.) (*Banging on desks*) and there is nothing better to honour the memory of Juan Carlos Perez than to see a Member of the GSD, who banned the *New People* from No. 6 Convent Place, reading the *New People* in this House out of sheer embarrassment and wanting to hide his face because the beige-pink pages of the *FT* would not do so.

But if he has the obvious transparent contempt that he has for me and for my people, and supposedly for the people of the Treasury and the civil servants, and he thinks he has these supposedly superior abilities as an accountant, he just could not believe that we would be delivering these results. The narcissist in him could not see beyond the end of his nose, Mr Speaker, so either he has not bothered to work out these ratios, he has not bothered to work

740 out the issues in the I&D before 2010-11 or he just wants to do anything he can to persuade
 someone, somewhere that this economy is going to crash – he is almost willing it to happen –
 but the evidence just makes it impossible for him to persuade anyone. If anything, what we
 show is consistency of approach – because this is not Congo, as he put it, in an obvious clearly
 745 racist slur designed to cast aspersions; this is a mature democracy where things are done
 properly. Our civil servants, our Financial Secretary, our Treasury, our Ministry for Finance, all of
 them act properly and they are the ones he is attacking. Perhaps, Mr Speaker, what has
 happened here is that he is scarred by his own experience. The last time someone gave him a
 consistent return year on year of 12% and his bank invested, we know what happened: he sent
 all the money to New York and it never came back. I should remind him that our estimates are
 750 delivering metronomic consistency.

Mr Speaker, consistency is a good place to start talking about his contribution in relation to
 the University. As the Hon. Minister for the University explained, the position is not as
 Mr Clinton alleged. Instead of us tripling the cost from £500,000 last year to £1.5 million, what
 has actually happened is that the contribution to the University has decreased from £1.9 million
 755 to £1.5 million, a decrease of 25%.

I see he is reading the back page now, Mr Speaker, which is a particularly good part of that
 newspaper. I assume he is just looking down and listening out of sheer terror at what is coming
 next!

760 He keeps asking us for the accounts of companies, he keeps asking us for those, but why does
 he want them? What does he do with them? Because either he does not understand them when
 he gets them or he just tries to twist them for his own objectives.

For the record, Mr Speaker, the accounts for the first full year of the operation of the
 University cover the year 2015-16 – in this case, it is 1st August to 31st July each year – and they
 are available to the general public on the University’s website. They also include the first period
 765 of incorporation. From the first period, in July 2015, £441,951 was spent by the University in its
 recurrent expenditure, and that can be seen on page 17 of the accounts under the heading
 ‘Financial Review of the University’. I have the accounts here. If hon. Members cared to look at
 page 17 they would see exactly the amount I am telling him: £441,951. That amount came
 entirely from Government funding and came from within the figure of £6,000,792 of funding for
 770 the University by the Government.

There are different accounting periods here, Mr Speaker. Some of them end in March; ours
 and the University’s one ends in July. But you can see this if you look at page 178 of the
 Estimates Book under the actual column heading for ‘Funding University of Gibraltar’. The
 balance of the money was spent on the refurbishment of the premises and other capital items –
 775 like equipment etc. – typical of something being set up.

The next period for the University was the first complete year of accounts, the year ending
 July 2016. The University opened in September 2015. During that year a further £1.7 million
 were the total running costs. Despite the accounts covering a full year, anyone with an
 accounting eye would understand that there are costs for the period of operation that reflect
 780 less than a year. During that period, according to the University’s accounts, the Government
 contributed almost £1.8 million to recurrent expenditure of the University with a significant
 amount contributed to finalise the construction of the building before the whole thing opened.
 If we take the Estimates Book for this year again under the ‘Funding of the University’ you will
 see that we contributed £1.8 million. It is on page 176. If you add £6,796,613 contributed by the
 785 Government in 2015-16 and the £1,807,387 contributed by the Government in 2016-17, you
 come to a total contributed by the Government to the University of £8.6 million. That is when
 the estimates were debated last year.

At that time, in this debate last year, Mr Clinton knew that the University was open – of
 course he did. He knew the University had started trading – we all did. Indeed, he could see for
 790 the first period of account, from the University’s published accounts, it needed £1.8 million to

run that first year of operation, which was less than a year. Their accounts, the University accounts, say two things:

Direct grant funding from HM Government of Gibraltar represented the bulk of the University's overall income.

That is under 'Grant funding' on page 18. And under the heading entitled 'Looking ahead', it says:

The University expects that it will have a continuing need for support from the Government after the original £10 million appropriation is fully utilised in order to be able to meet the ambitious expectations that have rightly been placed on it and maintain financial stability.

795 But remember, Mr Speaker, their accounts are to July and that therefore the 2015-16 University accounts were available *before* the last Budget session. He did not have to ask for them from us; they were online.

The accounts of the University online say this:

The University's budgeted expenditure for the year to 31st July 2017 will be kept within budgeted levels of grant income tuition fees.

800 In other words, the University needed the same amount from the Government – which, as we have seen from their accounts, is £1.8 million.

805 So, with all of that information which was in the public domain etc., how did Mr Clinton think that £½ million under the recurrent head was going to be enough? What did he think last year we were giving them? A third of what they needed? A quarter of what they needed? What did he think the £1.4 million under the I&DF was for? Did he think we had been able to defer payment of the capital costs of the University when it had opened in September 2015? It had been open for some time. He knew the capital costs had been paid. He knew they were in the region of £6 million. But he has such an insatiable desire for accounts that when he gets them he does not seem to want to read them or understand them. Maybe he is just a hoarder of accounts and does not actually bother to read them. Then, when the Estimates Book is presented, he votes against it. But then when he picks up statistics, he has tried to discredit the Government by saying we are tripling the cost of the University.

810 All of this, Mr Speaker, you might have said, 'Well, it was all a confusion, everyone's entitled to have an off day, maybe he made a mistake; nobody's pretending they are perfect – even Mr Clinton's not pretending he's perfect.' But we have to look at what we actually said to each other last year, because all of these things I have referred to are accounts that he may have seen or may not have seen. What did we say to each other?

815 This is Mr Clinton's question last year on Friday, 8th July in this debate, in the Committee Stage and Third Reading:

Thank you. Mr Chairman, the last item down the list is the University of Gibraltar. I see a further amount of £3.25 million required for this coming year and £6.7 million for last year.

Is this to cover capital, I presume it is capital cost, is this part of the overall £10 million funding originally announced to the university and is it envisaged that this will be the final amount that the Government will be contributing towards the university.

And perhaps as a final rider, has the university provided any financial information to the Government as regards its funding requirement?

Mr Licudi, DPP, then says this:

this is just a balance of £10 million which I had announced would be contributed by the Government to the university. We have made some capital expenditure and there is a contribution to the university which is ultimately going to reach £10 million and that represents the balance which is payable in respect of that £10 million which had been previously announced.

820 Up to there, he can still rely on the fact that all of these things may have just led him to have an off day. But of course, Mr Speaker, as those of us who have been in this House with him know, he does not leave it there:

Mr Chairman, thank you very much for that. Is there any reason why the full £10 million was not paid up front?

There are some interjections there, Mr Speaker – I suppose it is Mr Bossano fainting at the thought of just giving somebody £10 million without accountability.

825 Mr Licudi says:

Simply because it was not necessary. The university did not need £10 million up front. It was originally a Government project and we were spending money on the project as and when we were required to spend those monies on the capital expenses and then on the recurring expenses once we started engaging staff.

The university then became a statutory body and has become an independent institution and we now have a contribution to make to the university as and when they require the money, up to the £10 million which we had indicated we would be contributing.

So there Mr Licudi had talked about the £10 million covering the recurrent. Up to there I would even now be prepared to give him the benefit of the doubt in respect of having missed it. What did the Hon. Roy Clinton say last year on 8th July in this debate at the Committee Stage?

830 The next thing he said – ‘by the mouth dieth the fish’, as we say in Spanish:

So, Mr Chairman, would I be correct in saying that the £10 million would cover both the capital cost and initial running costs of the university and how many years would that cover in terms of running costs?

Well, Mr Speaker, he says therefore in that question, ‘Ah, so the £10 million goes to recurrent as well as capital, does it?’ and the Member of the Government that is not transparent, that does not give information, that is hiding things, that does not deserve support for its Budget, says this:

Mr Chairman, that is correct. It covers the initial capital costs and the running costs of the university on the basis that it is a contribution to the University of Gibraltar Limited.

As I explained when we launched the project, and in particular we brought a Supplementary Appropriation Bill, I seem to recall in respect specifically of the £10 million and I explained exactly how those ... were going to be split up.

We anticipated that there would be largely around £6 million in setup costs and an initial recurrent costs for the first year and the opening phase, and then approximately something like £2 million a year. So the £10 million was always intended to cover the initial start-up phase the first year and then two more years of operation thereafter.

835 ‘Thank you very much, Mr Chairman,’ said Mr Clinton.

So now you see it is impossible to give him the benefit of the doubt and think that he did not know specifically that the £10 million contribution actually was also to cover the recurrent costs of the University. He specifically said so. He might say, ‘Well, look, fair enough, you got me – I forgot.’ I could not be clearer that appropriation of £10 million was for both capital and

840 recurrent expenditure. He knew it because he asked and he was told. Although the House had been told before he was here, whilst he was here, less than a year ago he asked that specific question and he had it answered.

But yesterday, or the day before, in answering the demolition job of his credibility that the Hon. Gilbert Licudi DPP – I mean MP – did on social media, he posted this:

The Minister for the University needs to attend one of its accountancy courses. Doesn’t he know the difference between capital spend and recurrent expenditure? Last year’s capital spend was £1.4 million and £500,000 recurrent expenditure. This year estimated recurrent expenditure is £1.5 million.

845 Ouch! Oh, ouch! Oh, Mr Speaker, especially after the accounts I read him from the University, which he has got, and in particular his own words – ouch! Credibility self-immolated! We do not

need Gilbert Licudi to destroy his credibility – he has just done it himself. Talk about a grubby Facebook post, Mr Speaker. At least he does it in his own name; we will give him that much.

850 He must feel so embarrassed and deflated. How embarrassing must it be for him to hear me read his own words, which demonstrate that what he posted is so entirely incorrect, and in front of all his sycophants he has been shown to have got it completely wrong. The financial guru got it wrong on something as simple as recurrent and capital, on something as close to everyone's heart as the University, with all the accounts that he asked for, for everything, available, and his own words have demonstrated that he got it wrong. Double *ouch!* because he fought back and
855 did not say, 'Sorry, got it wrong, let's move on to the next thing.' Double credibility-smashing incident. Inspector Clouseau is on the ropes now, totally lacking in credibility.

Let's move on from that particular embarrassment. Another point from the Improvement & Development Fund:

other than £1,000 ... there is no ... provision for the cost of the construction of the eight new schools which, as the Government has already disclosed, just the new comprehensives will cost £52.2 million in this financial year.

860 Another reason, apparently, not to vote for the Budget, as if the use of token provisions – one line of £1,000 – were something new this year and unsurprising. But this is a token provision, which is the common way of opening a line, as we say, to ensure that you can spend on a project and then you can determine how the project is going to be finally booked. It has always been used in that way. It forewarns the House that there is going to be that expenditure. And that expenditure may then not go through the book – it may be done in the way that they
865 did it, through companies – but the initial expenditure may go through the book. It is normal. It has been done for years. So how can he say that because there is no provision for the cost of building the schools in the full amount – a balance to complete, in effect – this somehow deprives the Government of credibility? He knows that we have not gone to tender for some of the other schools, not yet. We have said that we are going to go for competitive quotes in
870 respect of the other schools, so how can we put in a figure if we have only got the figure of £52 million? In fact, they have already worked out per square metre what it is going to cost without the fitting out. How can there be a mystery? I have said when we have finalised the financing options we will announce it, so how can this in any way deprive the Estimates – this good book – of the credibility needed to support it?

875 We have signposted that we are doing something, it is there in the book, we have said that we are thinking of doing it in another way and we have said we will announce it when the time comes. What is the difference with the Estimates for 2009-10, where there was token provision for a number of things? There was token provision for borrowing. In fact, there was token provision for borrowing which is something that does not display itself physically. So, if I say I am
880 going to build schools and I say there is a line in and I am going to do it in some other way and I will announce how I am going to do it, I have said it and hon. Members know. But even if I did not say it, when I move Customs and I flatten the plot and Casais starts to pound, something is happening; and if there is a sign that says 'Building your vision' and it is the schools, they know what I am doing and they can then ask me, 'How are you going to fund it?' and I will say to them,
885 'I will announce it when I am ready.' But what about the 2009-10 Estimates Book, which has that token provision – which they seem to be so objecting to these days – in respect of borrowing? Borrowing is not physical. Borrowing does not require piling outside of Varyl Begg. So you put a token provision in of £1,000, then you do a borrowing and nobody sees it; it is a metaphysical thing. But do you know what the forecast outturn was, Mr Speaker, for that £1,000 token head
890 which the GSD in their Estimates for 2009-10 put in? Do you know what it was? Pop quiz – £189 million of borrowing. A head went from the token £1,000 to £189 million. From a position of gross debt of £200 million at 31st March 2009 end of year, the increase was by £189 million more, almost double the previous year. They doubled the gross debt in one year and they did it by filling a token head of £1,000, and at that time Mr Feetham was the second Minister for

895 Justice in Gibraltar's history sitting as part of the Government. That is what his party did. The
hon. the greatest Gibraltarian of all time – according to some, Mr Speaker – did that and they
did not complain, but they do now in respect of something which is physical, which is
announced, of which they know the price and on which I have said I am going to make an
announcement. Zero credibility. Inspector Clouseau fails to get his man again.

900 And then on the use of companies, Mr Speaker, as if this were something new. Joe Bossano
gets up and gives them a brilliant thesis, explaining why it is absolutely right to continue doing
that which they invented. *He* gets up, he ignores everything he is told, does not debate, just
delivers the one he had prepared earlier. He is just so failing to engage that it is disrespectful to
Sir Joe Bossano.

905 There are, in broad terms, three groups of companies. The passive holding companies – GAR
Ltd, GCP Investments and Gibraltar Land Holdings Ltd – hold assets. Little change there between
this administration and the previous administration. Active companies, the ones that carry out
activities: the Gibraltar Bus Company, Gibraltar Air Terminal Ltd, GJBS, Gibraltar Car Parks Ltd
and King's Bastion Leisure Centre Ltd, all of them in place before December 2011. I am pleased
910 to see one of the people responsible for King's Bastion Leisure Centre Ltd, and for everything
that that leisure centre does, in the House today, Mr Speaker – very welcome he is too.

The companies have not changed much. Many of them are funded directly by contributions
from the Estimates Book, such as Gibraltar Industrial Cleaners or Gibraltar General Construction
Company Ltd. They are funded from this overall contribution of £25 million, which is deducted
915 before the surplus is calculated. Mr Speaker, that is important. I have declared a surplus of
£36 million this year, as high as any surplus they ever declared before. If I had been Sir Peter
Caruana, I would not have deducted £25 million before declaring the surplus. In other words,
the surplus would have been £61 million under the GSD.

Mr Speaker, the 50-50 construction companies, which are there to construct the affordable
920 homes: there is nothing new being done that was not invented by them, and in time immemorial
nobody else has suggested that omitting these from the book is somehow financial alchemy, no
one has said it is trickery – until Inspector Clouseau arrived on the scene trying to solve
something that is not a mystery.

Car parks, well, they built car parks in this way with the rental income meeting the
925 expenditure. We refinanced their loans on the car parks and got a better deal. We built a bigger
car park but we also put a coach terminus in it which produces income. And in fact, if we had
sold all of the parkings – Mr Phillips and Mr Clinton bought some; they might have bought more
– it would have been cost neutral at Midtown.

And then there is the power station, Mr Speaker. Is it that building a power station funded
930 through a company is somehow wrong? Well, they were doing exactly the same thing with the
increase in electricity costs coming. That, however, was different in one particular way: it was
completely secret that they were going to do that. They had said nothing in this House. That was
not off balance sheet; that was off everybody's lips. When we arrived at No. 6 Convent Place we
were told to pack our bags, to go to America on a roadshow with a particular bank to sell debt in
935 Gibraltar to pay for the power station and raise the cost of electricity 5% a year for 20 years.
Literally, get elected: step 1, doomsday memo, 'There's no money'; step 2, 'Pack your bags,
we're going to America to raise money for the power station because that's what Sir Peter was
planning to do the morning after the election.' That was secret, Mr Speaker. That was not
financial alchemy, not worth supporting their estimates on. Maybe it is because they were going
940 to do it. When they do it, it is fine, and when we do it, it is fraud.

We have taken the same line they took. We do not say that this is in any way a fraud, except
we are not going to be raising the cost of electricity, and we have done a much better deal than
they have done because we are going to have a loan repaid over a 12-year period. So nothing
much has changed, Mr Speaker. The big offence, apparently, is we are going to put schools
945 through this mechanism – but it makes a lot of sense to do so, and in fact some of the schools
will also produce income because we are going to sell parkings under the schools, because

950 people in those areas want parkings. It makes a lot of sense to do this. Why is this so wrong? What is different to what they were planning to do? Or is it that he just did not know the party that he was joining? Does he not know what legacy it is that he is supposed to be defending? Did he really not look at what was happening? Is he so green behind the political ears that he is left to allege fraud – which is in effect what he is saying – in respect of the things that *they* did? Not the things we are doing; we did not invent them. Or the acquisition of the off balance sheet PFI funding, where they bought a hospital for £8.5 million and we are still paying and will be paying between £35 million and £40 million for it? At least Mr Feetham was always against it every time that Sir Peter was not in the room. But although Mr Feetham was entirely consistent in the defined circumstances I have illustrated in respect of being against the PFI, the current leader of the GSD was in the Cabinet when it was done. Maybe it was not much of a Cabinet then, maybe there was not much collective responsibility, but the current leader of the GSD – not the current incumbent Leader of the Opposition; we do not know how long he is going to be allowed to do the job for – was Minister for Health until 2000 and then, after that, Minister for Trade and Industry and Financial Services and was in the Cabinet when the allegedly infamous PFI deal was done. That was the first off balance sheet company borrowing that was done. Is that therefore now something that is wrong, despite the fact that they did it then and they invented it?

965 When they do things, Mr Speaker, we have to accept it is right; when we do it, it does not reveal the whole picture and we must vote against the pay of civil servants and we must vote to close down the Hospital. He turns everything that they did and was a virtue in their hands into a vice and a sin that must be punished into our hands.

970 He took great succour from the report of the Chamber. The report of the Chamber says that there should be an independent assessment because there is a dispute, apparently. Well, there is no dispute. They have just said that that which they used to do they think is wrong now. What the Chamber is doing, in my view, is like admitting that there is a dispute in relation to the sovereignty of Gibraltar or British Gibraltar Territorial Waters just because a Spaniard has claimed them. The Chamber report, before it says what he says it says – the sentence before, which he has shamefully failed to read, and if he were honest he would have read it – says this:

This administration, like the one before, has evolved a system of legal off balance sheet loans that have resulted in Government's account becoming somewhat opaque.

975 Because he said so. But they say in recognition that it was done by the administration before and they say it is legal, something which I note he and Mr Feetham have not attacked this year. They spent a number of years saying that this was illegal. After four or five years of hammering into them that they were doing it too, they have stopped saying it is illegal, but now they are still saying it is not proper. Even the Chamber recognises it is legal. This cannot be a genuine dispute. It cannot be anything other than, at its best, hypocrisy, or at its worst political schizophrenia, because you see, Mr Speaker, there is absolutely no drizzle for him to concern himself with. It might just be a bit of dandruff on his glasses, Mr Speaker, that he is confusing for drizzle. There are no two sets of books. There are two sets of principles: the ones they apply to themselves when they are in government and the ones that they apply to us. But this is not the Congo and we are not the boys from Brazil. What is clear is that if he were ever to become Minister for Finance, all this economy would get, all of our people, the only thing they would get from him is a no after no to every single project: 'Accountant says no' would be the answer to every request for funding in our community.

985
990 I want to deal with Mr Feetham now, Mr Speaker, and leave the political carcass of Mr Clinton to fester, but before I start, given that he was the one who introduced the fact that they were going to vote no to this Budget, I want to remind people – everyone listening, every public servant, everyone who draws an emolument from the Crown – that everyone will be paid after 1st August, thanks to us voting for this Budget and Ms Marlene Hassan Nahon. Everyone will be treated in the Gibraltar Health Authority on the basis of direct universal medical

995 coverage, thanks to the vote of the Members of this Government and Ms Marlene Hassan Nahon. Every fire will be put out, thanks to the funding of the fire brigade because of the 10 votes on this side of the House and Ms Marlene Hassan Nahon. And it is not frivolous to say this.

Minister for Health, Care and Justice (Hon. N F Costa): Of course it isn't.

1000

Hon. Chief Minister: What if two Ministers had to go and travel and one Minister became ill? Mr Speaker, if we were not able to pass this Bill before 1st August because of their indulging their desire to vote against the Budget, there would be no money for salaries. We would have a Government shutdown. Or, if they had their wish and they had backbenchers the total sum of whom could outvote the executive, we would have no appropriation. What if I ask three
1005 Ministers or four Ministers to go outside into the antechamber for a coffee when the time comes to vote? What would they do? What if they were the ones that had six and I had five because of ministerial illness etc? Would they then really so blithely say, 'Oh, we're going to vote no'? They are saying no as a silly gimmick. It is a show. It is gesture politics. They do not really
1010 mean no. No means yes when they put up their hands. They want to see the funding continue but they do not want to put up their hands. It is very dangerous to say no when you mean yes, **(A Member: Absolutely.)** but like everything they do, they say one thing and they mean another. Black means white – or black means beige. Their words and their actions are set on a completely divergent path. It is like their words and the truth, they never meet.

1015

So today, Mr Speaker, I will be asking that you call a division, so that history once again records exactly how everyone votes in this House, so that every civil servant knows who voted to pay them and who voted not to pay them, so that every patient knows who voted to treat them and who voted for them not to be treated, so that every child and every teacher knows who voted that our schools should open and who voted to close down our schools, so that every
1020 police officer and every customs officer knows who voted to fund the law enforcement agencies and support the rule of law and who did not, so that everyone in our community knows who voted for the continuation of functioning Government and who voted to shut it down. But I guess there is one silver lining, which the Minister for Justice will not like: every prisoner will know who voted for them to be released and who voted for them to remain incarcerated. And every single Member of this House and every single person in this community will know that I am not making it up, that I am not just saying it as a catchphrase, because when it comes to the division they will hear Mr Clinton say no. The accountant will actually be on our television screens: 'Accountant says no.'

1025

Mr Feetham, however, of course was as eloquent as usual. You cannot deny the passion is still there, the fire under the six pack is still there. *(Laughter)* He built this great house of cards. Of course our common senior partner, a fantastic and honourable man who deserves the support of everyone in this House, always used to tell me that there was a QC in Gibraltar who used to build an edifice of eloquence in his cases – which I think Mr Feetham is trying to emulate – but that the way to beat him was to go for the bottom card because that is where the
1035 fault lay, that is where the mistake and the logic was wrong. And that is what the hon. Gentleman has done: the usual morass of eloquently explained contradictions.

1035

I thought it started a bit like a valedictory speech, saying thank you to everyone who had helped him in his career etc., thanking us all for everything. Dr Jekyll had arrived in the room; Mr Hyde was not far behind, of course. But he was doing his valedictory on the same day that he was telling *Panorama* that he is thinking of staying in politics. *(Laughter and banging on desks)* So fair and foul a day I have not known, Mr Speaker! *(Laughter)* But then it started to flow. The Big Budget Lie reply started to flow.

1040

Let's take the first easy one. If I show, just like Mr Licudi showed with Mr Clinton, that he misled or lied or in another way was wrong, then how can they believe anything else that they say? Mr Clinton has the disadvantage that his political carcass is now entombed below
1045 Mr Licudi's demolition job yesterday and the tank I have driven over his credibility today. So let's

start seeing where Mr Feetham lies in his new role as just the spiritual leader of the Opposition rather than the de facto current incumbent.

1050 The first thing he said in his valedictory was that he wanted to thank everyone who had helped him as Gibraltar's first Minister for Justice. He was not Gibraltar's first Minister for Justice. The first Minister for Justice in Gibraltar's political history was the man he calls the greatest Gibraltarian of all time – only he calls him that (*Interjection*) – who, in a ministerial statement in this House from this position, said on 26th February 2007 that he would be sworn in as Gibraltar's first Minister for Justice until the election. And so he was, Mr Speaker; I
1055 remember the spectacle. But he repeats all the time that he was Gibraltar's first Minister for Justice – 'When I was first Minister for Justice ...' – although he was not the first Minister, he was the second Minister for Justice. It is about repeating a lie often enough so that people will believe it. He might have been the first Minister for Justice that had no other ministerial responsibility. He was Gibraltar's first and only dedicated Minister for Justice, because I suppose
1060 the man he calls the greatest Gibraltarian of all time had worked out that he could only really do one thing at a time, whilst every other Minister for Justice Gibraltar has had since then and had before him had other responsibilities. Mr Caruana had other responsibilities, Mr Licudi had other responsibilities and Mr Costa has other responsibilities. So it is true that he is the only Minister for Justice Gibraltar has had who could not do more than one thing at any one time. That is
1065 characteristic of the way that he builds the argument: 'I was Gibraltar's first Minister for Justice.' Well, you were not Gibraltar's first Minister for Justice – you have got the number one and the number two confused, and that goes through the rest of your speech: *all* the numbers are confused.

1070 He says he would never make political capital at the expense of the community! I am sorry, I am just remembering the last election campaign. But that is exactly what they are doing. They are doing it now, just like they were doing with the LNG nightmare and all the rest of it. They are misrepresenting reality to the whole of the community and to the international community, and that is bad for Gibraltar – although Mr Llamas, in a moment of his characteristic political honesty, said international investors do not listen to us; we can do what we like, they are not
1075 listening. That is making political capital at the expense of the community. In other words, he does the exact opposite of what he says he is going to do.

He says he is not going to pretend that the GSD is always right, but he says that on the public debt and the economic re-engineering they are right in identifying what we are doing and that that is completely wrong and improper and therefore it is right to vote against the Budget. He
1080 cannot take another position. Having been persuaded hook, line and sinker to accept the facile arguments that Mr Clinton put to him last year, and having taken the GSD from supporting Budgets to not supporting Budgets, what could they do? When the time came to decide what to do this year, they had to defend voting no because they either sacrificed themselves and voted yes, having voted no, or they sacrificed Mr Llamas, who is the one who is going to have to
1085 change his vote. It was obvious what they were going to do and they had to somehow conject an argument to defend that, but in doing so – I am going to go for the bottom card in the house of cards that he created – did he miss, as he prepared his case ...? I do not mean to move him to tears, Mr Speaker. I do hope it is more a contact lens malfunction.

1090 **Hon. Sir J J Bossano:** It's the eye watering.

Hon. Chief Minister: It's the eye watering, yes. (*Laughter*) (*Interjection by Hon. D A Feetham*) I certainly hope not, Mr Speaker.

1095 Didn't he miss that the re-engineering happened between 1996 and 2011? He cannot have missed it. Like Mr Clinton when I read him his extract from the Committee Stage and Third Reading last year which demonstrates he knew the money was being used for recurrent spending in the University, he knows that the re-engineering happened under the GSD because he complained about it. When he was the leader of the erstwhile and putative Labour Party he

used to say, and as he has said in this House, 'I have always been against the PFI.' So he cannot pretend that the re-engineering happened after 2011 and use that as the new putative reason to vote against the Budget – except, of course, when the man he calls the greatest Gibraltarian of all time was in the room he was sctum. But maybe now he also has to once again pretend that he was not against the funding in 2003 because his new leader, the current leader of the GSD, was a Minister when the funding was entered into, let's not forget, and there was collective responsibility even if there was not collective decision making, and a new hospital opened in February 2003 when the current leader of the GSD was a Minister and the funding was arranged when he was a Minister. That was PFI off balance sheet lending which we are still paying for and we have £35 million to £40 million to pay for. Mr Clinton was not there, but the current leader of the GSD was and he was in Cabinet – or whatever it was that they had in the Government – from 2007 to 2011. He was a Minister when the Government of the GSD committed all of the mortal sins that he has complained of in the past 24 hours, all of them. I guess it makes sense because he has described himself as the fallen angel of the GSLP. We do not describe him like that, Mr Speaker, but just to make sure that we stick with the biblical allusions, what I have heard him described as in the GSD is as Judas – who is not one of the fallen angels but one of the disciples – not as an angel at all. He must see himself as he described himself to us during the Question Time, as a fallen angel, because fallen angels fall to hell and there they commit all sorts of deadly sins, including the deadly vice of company borrowing to fund capital expenditure.

And how deadly is this sin? Well, Mr Speaker, it is a mortal sin because it is mortal for his political credibility. In his first part financial year as Gibraltar's second Minister for Justice in 2007-08 – remember, the election was on a dark, dank October morning in the middle of the year – a total of £50.3 million was spent on capital projects that year, £50.3 million on capital projects; £26.8 million was in the book; £23.5 million was spent through companies, almost 50-50. A mortal sin. But he did not vote for that Budget, because the Budget happened in June-July and he was elected in October-November. He was chairman of the party or something, I think. They give themselves nomenclatures by appointment in that party to give themselves – (**A Member:** General Secretary.) General Secretary, a very socialist name for a right-wing party! (*Laughter*) Yes, indeed, General Secretary. But I will not impute that to him, because he did not vote for the Budget. I assume that, given what we hear about collective responsibility in Cabinet in those days, if you were not in the Government how could you have control of that if you were just in the party? So I will not impute that to him. It was almost 50-50. The majority was spent through the I&D; a little less was spent through companies, but almost 50-50 – 46.7% was the ratio. But he has the temerity of accusing us of inventing the funding through companies of capital projects. He was General Secretary of the GSD but he was not in the House for that Budget debate, so let's put that to one side. If it was such a deadly sin and he should not be seen anywhere near it, he was not here when they did the PFI of the Hospital in 2003 and he was not here when they spent that amount, that 46% ratio through companies he was not responsible for because he was not sitting here at the end being told to shut up, as we used to see him – carrying just one portfolio he does not have that responsibility. But at least he knowingly joined the team that he knew invented it, because he had complained about the Hospital in 2003. He knowingly joined the team that invented it.

The following year, 2008-09, he was in this House for the Budget debate, so what happened to the fallen angel in the financial year 2008-09? It is the year of the financial crisis. He voted, as a Member of the Government, for that Budget in that Appropriation Bill. So did we, from there. In that year £80.2 million was spent on capital projects, £32 million was spent through the I&D through the book, £48.2 million was spent through the borrowing of Government companies, 60%, and he put his hand up and said yea to that, and for exactly the same reason he says now that he has to say nay to our Budget. That is what he calls the structure of companies and the funding through company debt of capital projects, the re-engineering of public debt.

Isn't he embarrassed when I point these things out to him? He has made a complete and utter fool of himself with these arguments. If he were in court, Mr Speaker, I think by now, with

those two examples, the judge would have made a costs order against his client – and I think it is going to get a little worse. It is not going to get any better, because I am going to continue the analysis for him. He would have dismissed the case and made a costs order against him for advancing the case for not voting for the Budget. This is an analysis he should have done for himself – he has got all the books – before he made the arguments that he made.

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In the financial year 2009-10, when he was still Gibraltar's second Minister for Justice, the spending on capital projects was £109.8 million: £39.9 million through the I&D, £69.9 million through the companies. I know that they are not very good at maths, especially their financial expert, Mr Speaker, so I have worked out the ratio for them: 64% of all the funding for all the capital projects in the financial year 2009-10, when he was Gibraltar's second Minister for Justice, was funded through Government companies through debt. **(Hon. N F Costa: Shame!)** So, if anybody re-engineered the public finances and the economy of Gibraltar by introducing the concept of funding capital projects through company debt it was not us.

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It is like that terrible moment when your opponent turns up with an authority that you have missed: your spine goes cold, parts of your bladder open and your bowel does not behave itself. I assume that is what he is going through, Mr Speaker, because he should have checked all of this. Before he allowed the Hon. Mr Clinton to persuade him, he should have checked all of this – although I think I have detected something of a change, because they have moved from saying that all of this is illegal to now just saying that they do not like it and they are not going to vote in favour of it; a huge change, because they spent a lot of time trying to persuade people that the Government was acting illegally by doing exactly the same things that they had done. They could not dare to say it was illegal whilst Sir Peter was in the room because they would have been accusing him of illegality, but when Inspector Clouseau first comes on the scene he decides that there must be a crime and decides that there must be an illegality and it was all illegal and unconstitutional for a while, and then all that went away. I still remember the Hon. Mr Clinton on a *Viewpoint* programme where he is put against the ropes and the interviewer asks him, 'But Mr Clinton, it was all being done in your time as well – is it illegal?' and then, on *Viewpoint*, on television, in a recorded interview, he says, 'Well, no, I just would prefer it done another way' – an admission that their whole argument on legality and illegality was not worth the saliva through which they had uttered it. This year it is not illegal, it is just a travesty, Mr Feetham tells us, and re-engineering. But we are accused of all of this, this re-engineering.

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So the analysis I have done up to now for financial years 2007-08 and 2009-10 amounts to £240 million, of which £141 million was spent through the companies, 59% over two years in the way that they describe now as a terrible travesty and a vice. Mr Speaker, as it compounds itself the judge in that courtroom would have been dismissing his client's claim that it was right to vote against the Budget and would be making a costs order against him personally on an indemnity basis – **(Hon. N F Costa: Wasted costs.)** wasted costs on an indemnity basis – because in 2010-11 £108.2 million was spent, £59.5 million through the I&D and £48.7 million through the companies, again the same vice, the re-engineering that they complained of. And in 2011-12, the last year, £157 million – £93.5 million through the companies, £63.9 million through the companies – a continuation of the practice that a man who describes himself as a fallen angel says is devilish and demonic.

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Well, I do not know if he has kept a tally, but if he had he would have found out that in the time that he was Gibraltar's second Minister for Justice a total of £505.9 million of spending on capital projects was done through the companies by the GSD in those financial years – £254.2 million was spent through the companies by the GSD, Government projects funded through Government company borrowing; £254.2 million as a percentage of £505.9 million is 50.25%. More than half of the funding was done through Government company debt: financial trickery, re-engineering. As they say in Spanish, Mr Speaker, his face should fall of shame. *(Interjection)*

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To make matters worse, they made no contributions to the companies. They were leaving them unfunded on a year on year basis, and these companies also had recurrent costs; hence

the eventual £100 million black hole. That is why we declare £25 million every year for the companies. That is why my surplus is not £61 million this year, it is £36 million.

1205 Mr Speaker, let him do another calculation. I bought him a calculator some years ago: if he is truly leaving politics, could he pass it over to Mr Clinton? He really needs it; it is not a crooked one like the one Mr Clinton has at the moment. It is quite an easy calculation. It is 25 by seven, 175. That is the amount of money that, just through annual contributions, we have paid to the Government companies every year before declaring a surplus, since we were elected in
1210 December 2011: £25 million every year to the Government companies, £175 million. There it is. No financial trickery. The vice of re-engineering debt was something that they devised and then it was a virtue and not a vice.

Mr Speaker, the judge now, having heard all of this, would say Mr Feetham has not just incurred a wasted cost order on an indemnity basis; he has advanced such an unsustainable case
1215 that it is clear that he was trying to mislead the court intentionally, which would be contrary to the overriding objective of litigation in the Civil Procedure Rules and he would have himself not just a court order – I reckon that he should be ordered not to represent clients again or be in contumelious contempt of the court for having intentionally attempted to deceive it, and be sent to chokey for a little while to purge his contempt in the Prison that he himself built no
1220 doubt with Government company debt.

All joking aside, Mr Speaker, it is that bad. It shows that when they accuse us of something it is something that they were doing themselves. He said I was the architect of all this, but he sat next to the architect of all this and called him the greatest Gibraltarian of all time, and his current leader – I do not know what he calls him, Mr Speaker – was part of the team that started
1225 it.

But this is fine, this is normal, this is gesture politics, but it is a gesture that got him into a lot of hot water. Doesn't he realise that what really did for him politically was the foolish decision to follow the Hon. Mr Clinton's lead and vote against the Budget? That is what pushed Mr Llamas out when he was at his weakest moment. Their final gesture last year; that is what did for him.
1230 And it hurts me a lot because he and I have been in politics against each other for years and it was down to me to finish him off – and he finished himself off and did not give me a chance of finishing the job I had started. People say that the hon. Lady finished him off when she said that he was using false identities on Facebook, and other people say no, it was Mr Llamas who finished him off because he left at that very difficult moment. It was actually the Hon. Mr
1235 Clinton, who perhaps is wiliier than we all think, who finished him off, because he is the one who persuaded him to go down the road of gesture politics and vote no, for a Budget that everybody has always voted yes for, on the most spurious basis that gets thinner and thinner every year.

I am very disappointed, Mr Speaker, because if it were down to him and me, one of us would finish the other off, not one's own political suicide, like we saw with him – although if there is a political Lazarus, he is making a bid to be it. This gesture politics of walking out of the House like he walked one day, gesture politics of voting against ... But even for the erudite presentation that he gave us, which was of course wrong from the bottom up, there was not unanimous support on his side of the House because the hon. Lady of course did not bang the table when he finished his speech. But she was not the only one. I detected that another Member of the
1240 GSD team was also rightly not banging on the table and sticking, I think, to his intellectual guns – but I will come to Mr Llamas in a moment. It is clear Mr Llamas has accepted the collective decision but he does not think it is right and I think what he said yesterday made that quite clear.

I think they are quite embarrassed by now, Mr Speaker, because they know they have been caught out. They know that all of the allegations of re-engineering they have pushed towards us are what they are responsible for.
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In that context I suppose he was trying to deflect emotion when he said that he was hurt by the contribution of the Hon. Father of the House. Well, we know that he does hurt very well. I really genuinely think that the Oscar for a performance of a purportedly retiring politician should

1255 be given to him for the performance we saw last year. He does hurt very well. Last year he
 pretends to resign as Leader of the Opposition; this year he comes and gives what looks like the
 most Leader of the Opposition-ish speech we have heard from that side of the House. *Much*,
 much better, no. Much, much, much, much better than the current interim incumbent. And then
 1260 he tells us in his *Panorama* interview that he will see what he does, he is considering his
 position. You see, he took a position in front of the cameras with tears in his eyes and then he
 moved that position on in his *Viewpoint* interview and he has moved it forward a step again in
 his *Panorama* interview.

It was clear to me last year, and I shared my view with many friends, that all he was doing –
 because I know him as if I had given birth to him, and I think he knows me the same way
 1265 (*Laughter and interjection*) – was pretending to flip the fall guy at the next election. How does
 this work? It is very simple. I think he has confirmed it to me. He is slowly moving himself into
 the situation where he is going to be prevailed upon to stand for election next time round:
 ‘Reluctantly my family have agreed ... The party has asked me ... My experience ...’ etc. I sincerely
 hope he does stand for election – he knows how valuable a tool I think he is for us. He is going to
 1270 do it because he expects that they will lose the election, then the leader who will have led them
 to lose that election will have lost three elections, two of them with one political party which the
 current incumbent Leader of the Opposition shared with him and one of them as leader of the
 GSD, and then he will say, ‘Well, now you have to put your leadership up again,’ and then he will
 be prevailed upon to stand for the leadership again, (*Laughter*) against Slim Shady and anybody
 1275 else who might stand. (**A Member:** Hear, hear.) Well, you never know with Slim Shady – he
 might not make up his mind in time. (*Laughter*)

Good luck, Mr Speaker, to all of those who decided that they would not go off and form a
 new political party because they had been promised by the powers that be that Feetham was
 gone and that Feetham would not be in the line-up at the next election. So unfair to be talked
 1280 about like that when you have given so much to that party, as he has – even his soul, because he
 did sell it to them. Mr Speaker, it is so unfair that they are acting in this way, but it shows you
 what a special kind of political party the GSD is and what a special kind of politician he is. In most
 parties the crisis arises when someone leaves, not when someone stays! (*Laughter*)

He had an Oscar last year for tears of a clown and he can have an Oscar this year for saying
 1285 that he was hurt by the Father of the House. Coming back to the good book, he does try and play
 that tactic of the prodigal son wanting to return in some way and try and drive a wedge between
 the father and son in some way being the prodigal and wanting to return, but how can he
 pretend to do that? How can he say that he has been hurt by the Father of the House when he
 kept his hand down and his mouth shut when the time came to vote for the Freedom of the City
 1290 for Sir Joe Bossano? (**Two Members:** Hear, hear.) I really thought that he might have stood up
 for himself then, put ambition behind him and voted to give Sir Joe the Freedom of the City
 immediately. If he had done that, I would have said he was not going to stand at the next
 election. He did not. It is clear to me that he will and it is clear to me that he will be a candidate
 for the leader of the GSD again in the future. I look forward to the return to battle, Mr Speaker.

He said he was a disciple of Joe Bossano. Well, at least he is starting to work out that he is not
 1295 the fallen angel, that he is Judas, because if you are a disciple of Joe Bossano and suddenly you
 stand against Joe Bossano and you still kiss him when you see him – well, we know what
 happened at Gethsemane. Instead of all of that – because I think if he were genuine in all of this,
 his would be the case of longest political unrequited love in history – I am not going to go down
 1300 the road of more biblical allusions about the disciples; I am going to stick with the first one I
 made. I have told this community and this House the truth and the truth will set them free.

But then he went on to the thinnest political ice anyone has ever gone on when he told us
 that the biggest problem that the community faces is the fact that we have grown the public
 sector and he accused us of creating this problem. Let’s be very clear: the largest growth in the
 1305 public sector in Gibraltar’s history happened in his time in office in that period when he was
 Gibraltar’s second Minister for Justice. Doesn’t he remember? Those were halcyon, crazy days in

2011. The Employment Survey for October 2007 shows the public sector at 4,234 people. By March 2011 it was 4,427. By December 2011, March-December 2011, at the end of their last nine months in office, it had gone up to 4,804 – that is to say 377 people in nine months. The public sector grew 8.5% in nine months when they were in office.

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Mr Speaker, I am told the stories. I am told it was an unending queue when he was the second Minister for Justice and he did unemployment clinics in his office. Of course Luis Montiel did not see anyone – he was down at Europort having coffee; somebody had to do it. So I suppose he de facto did two jobs, even though he only carried the name of one. In the four-year period when he was Minister in the GSD the public sector went up 570%, 11.9%, but in the nine-month period when he was giving people jobs to try and get them to vote GSD, it went up by 8.5% alone in that period. And he comes here to accuse us of that. *J'accuse*, Mr Speaker. I suppose it is a question of attack is the best form of defence, or not seeing the mote in your own eye.

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It is true that, as usual, he did not disappoint. He delivered a Leader of the Opposition speech on the public finances, on the Civil Service, on the public sector; and I suppose, although I disagreed with everything he said, he had to, he had no choice, because of course although he said that Mr Phillips's contribution was erudite he did not really mean it, he just had to say it. I suppose given one fib, a hundred fibs. It was the worst Leader of the Opposition speech this House has ever heard. I will deal with it in a minute, but come on, for him to say it was erudite was to push even his credibility to breaking point.

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Mr Feetham has the passion and the fire under the six-pack but I did not get any of that the minute I sat down and somebody else started to reply. I say it out of jealousy. *(Laughter and banging on desks)* The one thing he has that I want, Mr Speaker! *(Laughter)* But to say that we are making a mockery of this debate is as untrue as everything else that he has said. A mockery is twisting the figures and I have shown they are the ones twisting the figures. Joe Bossano has shown they are the ones twisting the figures. We show it every year, Mr Speaker. We break down what they have tried to do. But at least I thank him for one thing: he moved us on a little bit from the Facebook post of September 2011 to the ministerial statement of January 2012. I suppose if I stick around for long enough I will get to work out what he thinks of my first Budget in June 2012.

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He said this: 'never been a higher-spending Government than the GSLP between 2011 and 2012' and he said that this has not been lost on anyone, in particular the public. I suppose not, but they must agree with what we are doing, whether it is what we are doing or what he interprets us to be doing, because they gave us 68% in the election and they gave him 32%. But the projects are there, Mr Speaker, they are going up and there is no bankruptcy. There was no bankruptcy in 2013, no bankruptcy in 2014, no bankruptcy in 2015, in 2016 – I think by 2017 he said there was not going to be bankruptcy. So there are no shenanigans, Mr Speaker. Or if there are, they are the same shenanigans as I have demonstrated that they were up to.

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They said the one difference is Credit Finance and the commutations of the civil servants. Didn't he pick it up in the subtle way that Sir Joe said it that it is paying the commuted pensions of public servants, not just civil servants, including a former Chief Minister? There cannot be anything wrong with that – no, otherwise former Chief Ministers would not be lending themselves to something which is a shenanigan. What we are doing with Credit Finance and what we did with Credit Finance was exactly the right thing to do for businesses, for hotels, for Gibraltar as a finance centre. And Credit Finance made a lot of money from it – although supporters of the hon. Member used to write to the press saying that we were going to lose Gibraltar's money on the rust bucket that they thought we were floating in, and then when it was there they said it would not make money, and now that it has repaid its outstanding and Credit Finance has made a lot of money in interest, they say nothing about it.

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They said that the Government in fact had said nothing about the formation of Credit Finance. In fact, Credit Finance was shown in the book in 2012-13 and there was a press release

about it replying to his statement of January 2014. We said this – I am going to read it verbatim, Mr Speaker:

FEETHAM BROADCAST A TISSUE OF LIES

1360 – dated 21st January 2014, the apex of the fun that we were having with each other in public life –

The New Year Message by the Leader of the Opposition has served to confirm yet again that he says the first thing that comes to his head without bothering to analyse the consequences of his statements beforehand. He also behaves as if he has no knowledge of the actions and policies of the GSD Government of which he was a part until the end of 2011.

– we have told him all this before, Mr Speaker –

The result, as the Government will go on to show, is extremely embarrassing both for him and for the party that he heads.

Below is a summary of the some of the statements that Mr Feetham has made with answer from the Government in each case.

Mr Speaker, I am only going to deal with two – I think we made 10 points:

1. Statement: [Mr Feetham says] No announcement in Parliament or outside it of formation of Credit Finance Company Ltd.

This is wrong. Credit Finance was shown in the chart of Government companies presented in the approved estimates of revenue and expenditure for 2012/2013 which were published in July 2012 after being discussed and approved unanimously by Parliament.

2. Statement: Sunborn loan: Chief Minister had lied although it was a Government owned company that provided the loan and not the Government itself.

This is wrong. There is a clear distinction in law and in practice and in form and substance between the Government, on the one hand, and Government-owned companies, on the other. Indeed, it is a distinction that the GSD themselves used to make when they were in office. For example, when questions were put to them about money spent by the Government on legal advice or legal drafting, the answers given referred only to the work of the Government and not to the work of Government-owned companies.

1365 Mr Speaker, they make us repeat the same issue every year because they make the same points every year. If they were repeating their degree I think they would have been kicked out of university by now for coming back with the same thesis every year and getting it marked down – on facts, not on opinion, because you can have your opinion but you cannot make up the facts.

1370 If he does not want to stop being a glutton for punishment, so be it. I have explained that the accounts of Credit Finance are almost done, but this is just the same old debate again, nothing new to say, replaying their old Budget speeches, the ones which were not successful and all ended in tears. They need to give a little bit more to this community. They need to look again at their arguments. They need to come back with deeper analysis. They need to work more.

1375 The worst accusation that ever comes out of his mouth is that I complete manifesto commitments despite Brexit, or I complete manifesto commitments despite the doomsday memo, so what he is accusing me of is of keeping my word to the public in Gibraltar. He turns every virtue into a vice. If I had not done what I had said in the manifesto he would be accusing me of not doing what I had said in the manifesto. This is the politics of lose one way or lose the other, but I enjoyed his spirited and mis-argued contribution as usual, Mr Speaker. If he stays to save Gibraltar from me, as I think he was indicating yesterday in *Panorama*, I may just have to stay to save Gibraltar from him too. I could see that the edges of his mouth were foaming, Mr Speaker – rabid, as usual; passion, there it was. I do hope he has not become one of the wolves that he was complaining about.

1380 I was surprised he fell for the point that the Government is somehow predicting a Budget deficit. I think he knows enough to know that that point in particular is particularly bad, as made

by Mr Clinton, and nobody will believe it. He is just allowing himself to be bewitched by the Hon. Mr Clinton. He has turned into his political Pied Piper and leads him astray.

1390 He moved on to say that he was going to deal with other matters that he wanted to
comment on, just like a Leader of the Opposition, and that is when the House became a bit of a
pantomime. Oh yes, he is! Oh no, he isn't! In spirit he is still the Leader of the Opposition, but his
current portfolios are Justice – which he had said in an earlier article he was going to deal with –
the emergency services, fire, Customs, the Prison, the Police, civil rights, equality, exchange of
1395 information, financial services and gaming. Apart from financial services, which he went on to,
he did not say anything about those. He said nothing about civil rights, gaming, justice – he had
advertised he was going to say something – the Prison, equality, exchange of information, but
like the party leader that he still sees himself as being, he talked about Brexit. Well, he accepted
– and I am graciously going to thank him for it – that we are doing everything that can be done in
respect of Brexit; the second time he has said it, or the third time he has said it, I think
1400 demonstrates he is genuine about that by saying it on more than one occasion. But he said he
would have wanted to be more involved in it – if they had been in government they would have
involved us more. Well, look, all the evidence is to the contrary, because apart from Brexit the
biggest challenge is probably joint sovereignty and in joint sovereignty we were not involved at
all by the party led by the greatest Gibraltarian of all time, including the man who is now the
leader of the GSD and is asking us for more involvement. There was not even a select
1405 committee. Now at least there is a Select Committee and briefings and we ask you at the end of
each Committee meeting is there anything you think we should be doing and you do not say that
we should be doing something that we are not already doing. But again it is obvious they say
one thing and they do another, or they now say one thing when they did another.

1410 But there is one thing that is clear: of all the things that Daniel Feetham is, he is no damp
squib and he is no wet squib either. We may be chalk and cheese, but neither of us I think is a
damp squib and he should take that as a compliment from one gladiator to another, although I
see myself as a bit more of a chess player than a gladiator.

1415 It is not for me to defend the Financial Services Commission in this House or indeed to
denigrate the Financial Services Commission in this House or any other independent statutory
body, but he said things which I think he said believing them to be genuinely a concern for
people in the sector and I thought it was right that he should bring to this debate, given that the
FSC is funded from this House, those concerns so that they should be heard and they should be
on the record.

1420 I did think he was going to say more about the return of the other prodigal son, Mr Llamas,
but I think he must have been prevailed upon to say nothing; otherwise, I am sure there might
have been further resignations and other histrionics.

1425 One thing he said last year, Mr Speaker – which I have been meaning to take up with him
since then – in his Oscar performance was that one of the things that had made it very hard for
him and one of the reasons he had to resign was that he had had to do 14 hours of work a day in
Budget week. He couldn't take it. Well, Mr Speaker, I say to all of them opposite: if you cannot
do 14 hours of work a day, don't bother auditioning for any of these jobs, this one in particular
but *any* of them – that one for sure! (*Laughter*) The *Hansard* should reflect 'points at the Father
of the House' at that point, Mr Speaker. Fourteen hours a day is what I call a walk in the park. I
1430 would call it Sunday if I could. Expect to be up at 6.30 in the morning at least and don't expect to
be asleep much more before midnight, and expect to be working every waking moment of the
day – and if you are Joe Bossano, you consider six hours of sleep laziness. I do not think Sir Peter
Caruana worked any less, except perhaps without the Blackberry, which is my way of working.
That is what we are talking about. This is not nine to five, Mr Speaker, it is not even nine to nine,
and so if anybody thinks that 14 hours is a hard day, this is not a job that they can hack. They
1435 should find a day job; they should stick with it. And what I am saying is also true of senior civil
servants who work at the same pace as Government Ministers and are giving everything they

can to ensure that Gibraltar is able to succeed and continue to prosper in these difficult moments, because many of them work at exactly the same pace as Ministers.

1440 Mr Speaker, after telling us it was his third Budget speech, Mr Hammond seemed to get everything else that he said wrong. (*Laughter*) I did not know which Trevor we were going to be treated to, which particular episode we were going to watch today: 'Trevor and the drama of the exploding gas plant', or 'Trevor and the drama of the exploding water pipe on the school site, that did not explode', or 'Trevor and the social media predictions of flights that would not land and yet they did land', or 'Trevor and the drama of the terrible Budget speech where fines have
1445 gone up by 39% - oh, no, they haven't'. And fortunately, Mr Speaker, we got the latter, 'Trevor and the drama of the terrible Budget reply'. Nothing much to say and quite poor even by his standards.

1450 He started by complaining about air quality. I suppose it is all the gas on that side, all the hot air. But he did it in the year that we are shutting down diesel-burning power stations – and we are the ones shutting them down because they were going to produce a diesel-burning power station. In the year he is complaining about controlling traffic and parking which is designed to deliver less traffic, he argues for air quality and at the same time he argues for more parking so that we have more cars circulating, and yet he criticises us for a new power station that is not going to burn diesel and is going to be better for air quality. Is he saying that he would have
1455 preferred the diesel-burning stacks at the entrance to the Upper Rock when he is talking about air quality? He does not understand the air quality science at all and he gives credibility to Verdemar and those who come to Gibraltar with Verdemar. He should stop playing into the hands of those who are here to try and hurt Gibraltar.

1460 And then he complains about the location of the air quality monitors. He asks do we need a monitoring station in the north district. Well, do we need one to tell us that air quality is going to improve when we are about to shut down a power plant open in your time, 35 years ago, and replace it with a new power plant with best-available modern technology burning LNG? You might say it is a view that he has that we should have an air quality monitoring station in the north district, but the locations of the existing air quality monitoring stations were determined
1465 by them when they were in power. It is nonsense. He failed to make any changes to his speech despite the fact that John Cortes had given him information about the 15% decrease in emissions over three years – 27,000 tonnes less of carbon than in 2014 – and how air quality in 2018 was looking even better. Say 'I want to do more' but do not ignore what has happened.

1470 Clearly he does not trust our data experts, given what he said about them, but they are the same data experts that are used by the UK government and by the European Commission. Good enough for the Commission, good enough for the UK government but not good enough for Trevor Hammond, although they are good enough for John Cortes and all of his team who have degrees in this subject. Who should we listen to? The people they listen to? I do not suppose they want us to listen to the people who told them about the great explosion that there might
1475 be at the Port.

1480 And what about the electrostatic precipitators? Does he really think that we would not fit them if we thought that they were going to do some good? Genuinely they are no good in gas power stations because there are no particles emitted when the gas is burnt. The electrostatic precipitators move particles and it is gas that we are going to run them on. We are not going to run them on diesel. Unless there is a crisis in gas there will be no diesel burning, and even if we burn diesel in those engines there will be a lot less emissions than there ever have been from the engines that we have today and the engines that they would have had. What would their alleged financial guru Inspector Clouseau have to say about spending money on electrostatic precipitators which we are not going to be using? 'Accountant says no. *Buzz*', no doubt. Even
1485 now they are trying to make people fear the new LNG power station, questioning the technology and the reduction of emissions, which is much more than is required.

And then he says we are moving children into the area. Well, I do not know whether he has got the geography of this right. We are moving girls west a few hundred metres, we are moving

1490 boys southwest a few hundred metres and we are moving the power station west the same
 number of hundreds of meters and the emissions from the power station will be zero now. So
 who is going to do something that is somehow going to endanger our children? What we are
 going to do is close down the grimy old diesel power station before we move our children there.
 Or does he really think that anybody would believe the underlying accusation that we do not
 1495 care about our children and the children of Gibraltar generally? That is the underlying
 accusation. You cannot say the words that the hon. Gentleman uttered without meaning that we
 do not care about our children. I will take any sort of allegations not seriously, but that is an
 allegation to take seriously. That point is callous and wrong.

1500 Then he moves on to say, 'Well, the LNG power facility is just water under the bridge.' I was
 grateful to him for saying that, Mr Speaker, because it demonstrates one thing. It demonstrates
 that they were never genuine in their concerns about the LNG power station, because if they
 were they would still be seriously trying to stop it.

1505 But his latest ruse is to say that people cannot walk because it is too noisy. That is what he
 said: it is not pleasant to walk anywhere in Gibraltar because it is too noisy. Well, look, I walk in
 the mornings, Mr Speaker, when I do not have to be here or need to rush somewhere else. It is a
 very pleasant experience. I walk past building sites; I understand why they are there. I walk past
 cars and I look at people sitting in them as I get to my destination more quickly – some of them
 magnificent second hand Audis powered by diesel. It is not unpleasant. All well and good to talk
 about walking, but it is too noisy. It is as if he wants to live in a Miss Marple village with
 Inspector Clouseau and him ignoring the realities of modern everyday life.

1510 He said – and this took the Crawford's Digestive – that the noise is sponsored by the
 Government. Well, if there is a law that allows the Government to make noise outside of normal
 working hours, it is a law that we have not relied on. I have not signed any certificates under that
 law. It requires projects to be brought here. He was the chairman, I think, of the party opposite
 when they passed that law in Government. It is called the Construction (Government Projects)
 1515 Act 2009. At that time the greatest Gibraltarian of all time, according to them, was Chief
 Minister and Gibraltar had the benefit of its second Minister for Justice. That Act says:

'construction work' shall be construed widely and includes the carrying out of demolition, building, engineering or
 other operations in, on, over or under land or sea;

'Government projects' are defined to include construction projects being undertaken by or on behalf of the
 Government or any company or other entity wholly owned and controlled by the Government;

'the Minister' responsible means the Chief Minister;

'restricted hours' means any time or times during the day or night during which any other law applicable in
 Gibraltar curtails, restricts, prohibits or sanctions the causing of noise, vibration, ambient airborne matter or any
 other source of nuisance or the execution of construction works for any other reason whatsoever.

1520 And what they passed into law under clause 3 is the right of the Minister to sign a certificate to
 allow noise and those other nuisances to continue. That is what they did. It is the opposite of
 what he says. The GSD is not concerned about noise pollution; the GSD passed a law to allow the
 GSD Government to do *more* noise pollution. Is he saying that the GSD now opposes that Act?
 Am I going to see a Private Member's Bill to repeal that Act come from him? That is what he
 would do, and if he does not, credibility zero on noise as much as on emissions and as much as
 on LNG. Credibility zero, Mr Speaker.

1525 He said that it is all very well and good to promote electric vehicles, but a Tesla costs
 £100,000; not everybody can afford a Tesla. Well, Mr Speaker, when I demonstrate that they are
 wrong about things which are so basic and so easy to determine it becomes obvious that it is
 difficult to believe them when we deal with other matters. A Tesla Model S, the one that the
 Chief Minister's car is, does not cost £100,000, it costs £55,000 – half. That is the Model S – we
 do not have the top of the range. It does go to Malaga Airport and back, by the way. The Model
 1530 3 is expected to start at £35,000, one third of what he said it costs. He cannot even be trusted
 with the price of a car! He is not even a used-car salesman – he cannot sell you a *new* car, Mr
 Speaker!

1535 And then he says, 'Well, people need to be encouraged in the direction of cars.' Has he seen my measures, Mr Speaker? But he did not reply to them, although I read them out to him. My measures are in paragraph 208 in respect of fuel. One of things he said was that diesel is still so much cheaper at the pump than petrol. That is what he said. Not only does he get the price of the Tesla wrong, he then says the price of diesel at the pump is cheaper than petrol. I had just sat down and read him paragraph 208 of my speech. I had said this, Mr Speaker:

from midnight tonight duties on the importation of diesel will be increased by 12p per litre, from 25p per litre to 37p per litre; duties on the importation of diesel premium will be increased by 11p per litre, from 23p per litre to 34 per litre; duties on the importation of Unleaded 95 will be increased by 6p ... to 35p per litre; and duties on the importation of Unleaded 98 will be increased by 5p per litre, from 29p per litre to 34p per litre.

1540 Petrol is not anything other than the same or cheaper than diesel. In other words, diesel is more expensive than petrol. Diesel is 37p per litre, diesel premium is 34p. Petrol is 35p or 34p. How could he get it so wrong? If he gets it wrong on stuff as basic as that, how can we believe anything else that he says? All of these errors need to be pointed out.

1545 He says that parking is harder now. Well, Mr Speaker, it is harder for some; it is easier for others. A lot of beneficiaries of the residential schemes are very pleased indeed with the schemes. They do not write it on social media, they write to the Minister and tell him how pleased they are, many hundreds of them. But of course the zones are something that they are sometimes trying to take credit for. They say that they planned them and they were going to do them, and then they try and pretend to side with people when they are complaining about them. Are they going to undo the parking zones if they are ever elected? I suppose if they are
1550 going to decry the policies of the GSD that they represent, because they had planned them too ...

1555 He asks whether in 2030 foreign vehicles will still be allowed in Gibraltar if they are diesel powered or not. Well, I made provisions as to registration of diesel vehicles, not as to the ability to be imported on a daily basis by individuals, but I would expect they would still be allowed. But is he trying to make the point in favour of better air quality or against? He needs to make up his mind one way or the other.

1560 He asked will buses still be diesel. Well, I think not, Mr Speaker. I genuinely think not but I do not know. I am not going to predict what is going to happen in 12 years' time. If he wants to know, he should ask whoever is the Chief Minister at the time. She will be in a better position to tell him and her headquarters are likely to be at Watergardens even then.

And they say that we are not pursuing an underground car park at Alameda. I have already told them that we are reconsidering that because we met with GONHS and we met with the ESG.

1565 The issue of whether projects go to the DPC is in the Bill; it is before the House. So how can he then make the point seriously that we are doing no environmental impact assessments for the schools? What is he playing at? Is he trying to oppose the schools at any juncture? And the purported broken pipe – a good reason to try and turn the community against the project when it was not even that? Why do they want to stop the schools? The Department of the Environment has assessed both the dumping of rocks at Coaling Island and the schools. The
1570 Heritage Trust have actually worked with the Department of Education on the Old Mole Head and on the issuing of a heritage licence for that, and the Botanical Gardens are fully engaged in developing green areas so there is swiftness in all the schools, a positive environmental income. So how can he say that the environment has paid the price of neglect by John Cortes? Nobody can believe that, Mr Speaker. Zero credibility, no, less.

1575 I think it is just that he thinks that he is an expert ... An attractive photograph of a blue-tit on a Sunday afternoon does not make one an expert on the environment, let's be clear. So when he attacked the green roof at the Engineer Road car park what he did not know was that the car park's green roof was doing exactly what it was intended to do, even though it may have gone brown, because it is a green roof but it does not actually have to be green – like Green Party

1580 voters are not green. (*Laughter*) It provides a habitat for wild plants and birds. But he just does not get it, Mr Speaker.

And then he went on to cleanliness and attacked the staff of Master Services, who obviously are the butt of his criticism. Mr Speaker, having said that, he did say something about cronyism which is not even worth replying to, but how can somebody talk about cronyism and then talk about the cleanliness of Gibraltar when the Master Services contract was given for 20 years by them without tender, to their people, to their supporters? That is cronyism.

1585 He says Gibraltar is dirty. Well, that is why we went out to tender properly for a new contract, so that the men and women of what was Master Services are given the tools that they need to do the job, because if you do not give somebody the tools they cannot do a job – and we expect a marked improvement and they have our full support in delivering that. In fact, I should say they are not getting the materials, although we are paying for them.

1590 He talked about the abandonment of buildings, including this building. Doesn't he know that there are more refurbished buildings in the Upper Town now as a result of the work we have done as landlord ourselves and with private landlords, and 45 section 37 notices have been issued in the past year by an urban renewal officer? And this building needs a lick of paint – he uses that as an example in the Budget debate? More money has been invested in this building by us since we were elected than has been invested in the 200 years before since it was built.

1595 The private landlords who refurbish their property are doing a magnificent job. That was our policy; that is why we pursued the sale of Government's pre-war stock for those purposes. He has just become a political Nimbyist of the worst sort.

1600 He fell short, for a moment, of blaming us for traffic accidents, but then he went on to blame us for less people crossing the Frontier in 2012 and 2013, as if we were José Manuel García-Margallo and Mariano Rajoy personified. Or is it that he is suggesting that the five-hour queues, the four-year queues that we had did not have an effect on tourist expenditure and people coming into Gibraltar? He said the slump coincided with the arrival in government of the GSLP. Well, it coincided with the arrival of the government of the Partido Popular in Madrid. But he ignores the fact that the tourist expenditure is up 20% this year – more hotels, more arrivals. He is just trying to make up an argument.

1605 I am not going to throw back in his face that there might have been diversions because although the radar is now fixed the air traffic controllers are not trained and sometimes people may have had to go to Malaga, as *Panorama* said: 'The radar's down and you need to be retrained.' I am not going to say that we have lost a tourist or two and it's your fault. Let's be human. Let's understand that things happen which are outside of our control.

1610 He said we need targeted investment, and then when we make targeted investment like the Skywalker Sky Bridge they criticise that too.

1615 And then he became the defender of clamped tourist vehicles. Is he really arguing for a return of the GSD's days when locals are targeted for fines and clamping – or rather for fines, not clamping – and foreign vehicles are not clamped and get away with it? Is that really what he is arguing for?

1620 He said we do not want Mickey Mouse projects, like the person who wrote the Upper Rock report. What does John Cortes feel about that? John Cortes was the person who wrote the Upper Rock report and said he did not want Mickey Mouse projects, and he thought that the Skywalk was a very good idea because he is the one who commissioned it. I hope that makes the point clear to him that he got it completely wrong and he ended up making a monkey of himself. Oh, and by the way, the current interim Leader of the Opposition joined us at the opening of the Skywalk and I think thought it was a magnificent opportunity to see that excellent investment.

1625 The Fire and Rescue Services have had investment in new vehicles at the Airport and in the city service. He said nothing about that, but he said that we have to build a new fire station. If he ever gets into government, which I certainly hope he never does, and the Chancellor of the Exchequer, Mr Clinton, is there and he asks him for a new fire station, I think he will get the

answer I predict: 'Accountant says no. *Buzz.*' So I do not think they stand much of a chance with them.

1635 Mr Speaker, I am conscious that it is 25 to two in the afternoon and that you have been sitting whilst others have had the opportunity to come in and out, and I wonder whether you might wish to recess for a few minutes or you want me to continue with the contributions of other hon. Members.

Mr Speaker: It is, of course, not just myself but also the Clerk, so it might be a good thing if we are able to stretch our legs for a few minutes. We will recess for 10 minutes.

The House recessed at 1.35 p.m. and resumed its sitting at 1.47 p.m.

**Appropriation Bill 2018 –
Second Reading approved**

1640 **Hon. Chief Minister:** Thank you, Mr Speaker.

Continuing now in my reply, can I just for the record confirm that the *Hansard* of the Committee Stage and Third Reading in relation to the University I was reading out earlier is of Friday, 8th July 2016 and not 2017, just to ensure that the record is very clear on that.

1645 I turn now, Mr Speaker, to deal with the contribution from the Hon. Mr Llamas. Of course he knows that I would have enjoyed his contribution last year more than I enjoyed his contribution this year, but I did not detect in his contribution any desire to be anything other than constructive in his approach, and I laud him for that because I thought he was careful and thoughtful in what he said and how he said it. And he was careful and thoughtful also to show the work that he had done as an independent and the work that he wanted to continue doing,
1650 he said, 'whilst I remain a Member of this House'. So, even though he developed some themes that we agree on and he developed some themes that we disagree on, he I thought did so quite fairly and quite honestly in the way that he presented that.

1655 He talked about the scale of development in Gibraltar having consequences. Of course he is absolutely right, it does have consequences. We say those consequences are homes, offices, jobs and growth. How else would we build more homes and provide more jobs? No development would also have consequences: less homes, less offices, less jobs therefore, and less growth.

1660 More reclamation would lead to even more building eventually on that reclaimed land. But he made the assumption that the land at Bayside, St Anne's and St Martin's will all be sold to one developer. He is making an assumption there. That is not something that we recognise. It is not something that we think necessarily is the case. It might end up being the case but it is not something that Government now recognises as if it were something that is about to happen or is being negotiated. So, in that sense I do not know. I assume he is not making it up. Somebody must have led him to believe that, but it is certainly not the situation that we recognise.

1665 Then I thought that I detected in the way that he presented his views in relation to the lease in respect of affordable housing what I thought was a fair, equitable and balanced criticism of the lease produced by the GSD for the Waterport Terraces and Cumberland Terraces style housing. There I thought there was actually quite a meeting of minds between the Hon. Minister for Housing who is developing the affordable housing, myself and the Government and him and
1670 the position that he was taking, and therefore I would assume that, for reasons I will come to ... I think he feels bound by collective responsibility but I think I detected support – as I detected, I think, from others also support – for the measure with the special stamp duty in respect of affordable housing.

1675 I thought he criticised the fact that there is an absence of beach night markets and cinema nights announced this year but I had thought that it was the GSD that had most criticised the fact that we were holding cinema nights in the park, Mr Speaker. If only they had heard John Cortes every morning after each cinema night when he saw the state that people left the grass in.

1680 Mr Speaker, he is somebody who has said in his House honestly and openly that he is what I might call a Caruanista. I think he expressed it this way in this House and elsewhere: he supports the policies and the direction in which Peter Caruana was taking Gibraltar. Well, Mr Speaker, in that case he will have been supportive of the analysis I have done of how capital projects were funded other than through the Improvement and Development Fund by that very individual he has expressed a keen support for. In fact, he decided to stand for election when Sir Peter left Parliament, saying that he was concerned about the direction we were taking Gibraltar in. I think I have demonstrated to him today that it is exactly the same direction in terms of the objectionable issue, according to them, of a corporate borrowing for capital projects for the Government that Sir Peter had embarked us upon.

1690 I was grateful that he welcomed the new dementia facilities, because as somebody who has a relative who enjoys the benefit of that I think it is right that everyone in our community realises how lucky we are to have them, but I did not think it was right to suggest that we do not also afford the very same high standard of care in Calpe Ward and the other wards down at St Bernard's. They are afforded exactly the same standard of care there as they are in all the other facilities.

1695 His speech was more balanced than the other GSD speeches. In fact, his speech did not feel like the new GSD speeches feel. I must tell him, I think I will miss him in this House as a rational independent voice trying to do good even when we disagree with him. At least there is another.

1700 He welcomed the fact that we have added GPs to Accident and Emergency, although he rightly pointed out that the Accident and Emergency unit at the GHA sometimes are abused by the community. It is an issue that vexes this Minister for Health, as I am sure it has vexed others. I thought his views of the Primary Care Centre were balanced.

1705 I am grateful for the support he gave us on the Drug Strategy and on medicinal cannabis, although I think he is wrong to say that we have stopped considering the exportation of cannabis. We have not stopped considering it; we have not been able to make a determination on something. It is something that has been put to us. We are not going to discard it, as he suggests that we should quickly discard it; we are going to consider it carefully and we are going to reach a determination – which may be to discard it but may not be to discard it.

1710 I thought it was wholly ungenerous for him to describe people as having been caged in at Bishop Canilla House. That may account for why I have not seen my wife's grandfather for so long. Clearly people are not caged in at Bishop Canilla House by scaffolding. People at Bishop Canilla House have been asking us to repair the roofs on their balconies. We have moved quickly to do so. The Minister has developed different options, and better plans are now going to be the ones that are going to be implemented, and I think the DPC has also had an influence there on some of the balcony views etc.

1715 The increase in domestic abuse being reported I think we all agree is a very good thing. I do not think any of us think that domestic abuse is on the rise; we think the reporting of domestic abuse is on the rise. Dealing with it is on the rise, and therefore I think we are all on the same page that these are things that must not be swept under the carpet in the community, for sure, but they must also not be swept under the carpet in any family either, and if somebody is suffering from domestic abuse they must report it – they will have the support and our law enforcement agencies now have the training also to deal with that.

1720 He explained why he supported the Budget last year and why he feels he cannot support the Budget this year and he really put it down to an internal debate and him being able to form part of the collective decision-making process, even though he did not tell us whether he agreed with that or not – which is fair enough as a collective decision taken, and that collective decision is

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the one that is presented to the community. I must say that I leave this debate thinking that Lawrence Llamas, if he could, would be voting in favour of the Budget, if he was free of a three-line whip to vote against. It is very strange that there should be a three-line whip to vote against a Budget.

1730 I really think that saying that the things we say in this House and the things we say to each other do not matter generally to investors is a little short-sighted. I think investors do look at what is being said, they do look at the arguments being put and some of them could feel that the circumstances for investment in Gibraltar are not made out because if some of the things that hon. Members were saying were true – and none of them are, as I think I have
1735 demonstrated, in particular in the demolition of the credibility of the Hon. Mr Clinton's arguments – then that could be very negative for Gibraltar.

Mr Llamas has a brain, Mr Speaker; he has demonstrated that when he has been an independent Member of this House. He can look carefully, if not today in the heat of battle, at the *Hansard* of today, he can look carefully at the numbers and he can see that the things that
1740 Mr Clinton has said, when you subject them to detailed scrutiny, are not true. He can take his calculator to the *Hansard* and he can look at the Estimates Books, which he can come here and look at, and he will then be able to see that they have all been sold a pup – if he will excuse the pun, given his particular interest in matters canine. In fact, at some stage we were told by other
1745 fellow members of the GSD that that is all he was good at. I think he is good at much more than just matters canine. He can look at the *Hansard* and he can make up his mind for himself and he can see that they have all been sold a pup by Mr Clinton and he should not allow that Pied Piper to lead him also in a direction which is not a good one or a right one for this community.

I am grateful for some of the things which he said about the work that the Hon. the Minister for Housing is doing, because they were actually supportive of the work that she is doing on the substance and in particular in relation to the position taken in respect of parliamentary
1750 questions recently, although I do think that Mr Feetham is taking a slightly different view to the position that Mr Llamas has taken about people's rights to be housed etc. I guess I should not be surprised to see Mr Llamas and Mr Feetham taking slightly different views.

Mr Speaker, the argument – I think this came not just from Mr Llamas but also from
1755 Mr Feetham – that we are somehow selling all the MoD properties that are coming into our hands, and this is a sign of how the GSLP was acting with Edinburgh House etc. and Elliot's Battery, would be entirely to misconstrue the obligations of the Government which we inherited from the GSD under the lands deal. I think it is a point on housing but not a point that he made – I think it is a point that Mr Feetham made, because we are selling all of the walks in all of the
1760 Naval Hospital Hill etc. because that is what balances the land deal that they did, which required the sale, to highest bidders at tender, of those properties.

Mr Speaker, last year, on 23rd February, when we were debating the motion and whether Mr Llamas should be a member of the Select Committee or not, Mr Llamas said this:

I do not wish to reopen the reasons for which I left and resigned from the party I once stood for. For whatever reason and from the party's own admission, there was a communication breakdown on such an important issue and on the analysis of facts, I had been left out of a decision-making process on such an important Bill such as the Appropriation Bill.

It was my view, Mr Speaker, at the time that I had to put Gibraltar first and my party second. It was my view that voting against the Budget, however much I agree with the arguments put in favour, Gibraltar in the context of a Brexit backdrop needs to unite. Mr Speaker, Gibraltar at this point in time, needs parliamentarians to have faith and to support the Government of the day and to show a vote of confidence in Gibraltar, in its economy, in its workers and in its public service.

Mr Speaker, unfortunately the main Opposition Party, the GSD failed to realise the implications of their actions or lack thereof.

He was right then, Mr Speaker. I think that he put Gibraltar first then and his party second
1765 then. He is going to do, as an action, the opposite now. He is going to vote against the Budget,

that which he said amounted to putting party first and Gibraltar second. He should not let himself down. He should think very carefully about what he is going to do.

1770 He has been let down, actually, already by those who threw him back into the party by promising him the Earth. They promised him that he would have a guaranteed place in the line-up, I understand; now they are telling him it is not guaranteed for next time. They promised him that Mr Feetham would not stand, but we all know now, in the analysis that I have done on what he said to *Panorama* and *Viewpoint*, that he might.

1775 So I think Mr Llamas should be honest with himself. He is likely, in my respectful submission, to be leaving politics at the next election. He should do as good a job now and from now on as he has been doing in the time he has not been shackled by party politics. He should do it with honesty, Mr Speaker. He should not accept a dishonest three-line whip based on twisted and conjected arguments to vote against us, to vote against the Budget, to vote against paying the Civil Service, to vote against the way that Peter Caruana used to do things when he was Chief Minister. And he should be honest with the way that he exercises his vote. There are only 17
1780 votes in this Parliament, in this community. We are a very privileged 17 out of 32,000. We have to be careful in how we exercise our votes here. He does not deserve to be made to go down in history as saying one thing one year and doing another thing another year. He does not deserve that; he honestly does not, Mr Speaker. Otherwise, he is going to have to spend his whole life wriggling off a hook that has been designed for him by his own people.

1785 'It was my view, Mr Speaker, at the time that I had to put Gibraltar first and my party second. It was my view that voting against the Budget, however much I agree with the arguments put in favour, Gibraltar in the context of a Brexit backdrop needs to unite.' Nothing has changed. The Brexit backdrop is still there. It is even more closely upon it. Mr Speaker, Gibraltar at this point in time needs parliamentarians to have faith and to support the Government of the day and to show a vote of confidence in Gibraltar, in its economy, in its workers and its public service. He
1790 was right then. He should not let himself down now. He should think very carefully about what he is going to say when the division vote is called.

1795 Mr Speaker, as usual, Mr Reyes delivered one of the more convivial and less partisan interventions in the context of this debate, as he always does. We agree, of course, with him in respect of support for sporting associations. He had a whole House supporting him on that.

Then he started to move into whether the GSD was right or wrong in relation to Victoria and whether they were right first. Mr Speaker, they were entirely wrong as to the mechanism to deal with it. This was the point. They had a proposal for them, aka the Government, to develop Victoria that would have meant taxpayers' money going into the development of Victoria. We
1800 know the cost is in the region of £30-odd million, which the GFA is going to have to spend there. I wager that if they had been elected and if they had a Minister for Finance who was not the Chief Minister, when he turned up for the money he would have been told '*Buzz*. Accountant says no.' That is why it was absolutely right to structure the deal as we have, and in order to do so you had to go and ensure that there was nowhere else, because UEFA would have preferred it somewhere else, but having demonstrated to UEFA there was nowhere else it was possible to
1805 do a deal where actually the plan is developed and we get £16.5 million in, which then unlocks it for all other sporting associations.

Then his speech, when he started to talk about our football teams and what they were doing, became a little bit like one of those old *Match of the Day* reports. I almost expected him to move
1810 on to Leyton Orient 6 – Liverpool 10, Arsenal 3 – Manchester 0, because he was really getting into that sort of rhythm. Of course we agree that we need additional training facilities, and the project that they were going to advance would not have had the amount of additional training facilities that we will have. My heart breaks too when people have to go to Spain. If they want to go to Spain, they can, but if they *have* to go to Spain they should not and all of the facilities that we are developing will provide, I think, more than adequate training facilities also because we
1815 are developing for all sports but that does not exclude the GFA also, and a lot of what we are going to do is going to be providing also training facilities for other sports.

1820 But, Mr Speaker, if he thinks that he was going to get away with developing Victoria and developing additional training facilities in Gibraltar, the accountant would have been saying no to him every day of the week.

1825 I thought that he was actually unfair when he criticised us for using a VVIP facility because I think we have all used it at different times. I think it is good for us to meet there and it is good for us to have an opportunity to have a discussion. Criticising the facility has become a sport, now that Mr Clinton has been elected. Before, we all had the opportunity of meeting there and I think it discloses an element of hypocrisy.

Mr Speaker, we are listening to teachers in the education revolution. They are hugely important in this process. They are one of the most important factors: the teachers, the children, the professionals at the Department of Education working together, the politicians and all of the parties together are the ones who are going to deliver that excellent education revolution.

1830 He said that he empathises with the teachers in being against co-location and he thought that there was going to be too much competition between the schools. I think competition between schools is a good thing because I think it is healthy competition, and to say that they are against co-location means that they are completely ignoring the plans in their pamphlet at the last election for the mega school at Rooke, which was one school.

1835 Teachers will be fully involved in key stage alignment – that process has already begun – as they are in all other aspects of what we are doing.

Mr Speaker, I have one speech left to deal with on the Opposition benches. I think it is probably the least important of all those delivered, so I move on now to the damp squib.

1840 Perhaps I should have delivered the response I could have delivered before I heard him, which is what he did: he delivered a speech he had prepared before he had heard us. Again, this was the one he had prepared earlier and it was actually not very well prepared. It was a collection of soundbites and hypocrisies.

1845 He talked about the enclosure at the Music Festival – but he joined us there. I do not understand how somebody can actually argue against something they have done. Well, I suppose Mr Feetham is arguing against something he has done, because of the corporate borrowing, which is such an evil, when he was a part of the Government that did it; but he might be able to say, ‘Well, I was then under the leadership, under the thrall, of Sir Peter Caruana.’ But when you turn up yourself at an event at a particular enclosure, to then turn up and criticise yourself for it is really to take the damp biscuit. Isn’t he embarrassed to have criticised us for something that he did himself? At least Mr Clinton has the benefit of never having come to the Music Festival, to the enclosure, so if he criticises it I can tell him he is wrong and all the other things I tell him about that particular thing and the value of it etc., but he has never come before. Mr Feetham says it is terrible, but I think admits that he has been there and now has decided to change his mind. But the Hon. Mr Phillips does not even grace the debate with admittance that he has actually been there before criticising it.

1855 All he did was regurgitate quotes. ‘Big spender’ he said – well, I am spending on schools, on health, on education, on sports – but that we are not doing enough about Brexit. But hasn’t he just said that I am a big spender because I am spending on schools and education and sports and all the things that we are doing? What else should we be doing?

1860 I suppose seeing those distraught young men that he sees who want different jobs and do not know what to do – he should stop spending so much time with Mr Feetham and Mr Llamas, Mr Speaker. They seem to be the other two people who are distraught about the positions in which they find themselves.

1865 His speech was therefore contradictory. He delivered it without any panache or flair, but that is subjective. In fact, it was so shallow that after what I thought was another magnificent Budget for Gibraltar – which would have been countered, and it would have been good for Gibraltar to have it countered by a strong passionate Leader of the Opposition with an alternative view for how we should be spending – it almost felt as if this House had suddenly found itself beached

1870 upon a sandbank because the analysis was so utterly shallow, boringly so. He accused me of spinning, but he could not spin a plate.

1875 And then he decided to make an assessment of my life. He said it had been my *annus horribilis*. Well, I do not think he knows me well enough, Mr Speaker, to be that intimate in his view – we are not that close – but I have had a great year. We have had a new daughter, and that really does change your life; an absolutely magnificent year, as far as I am concerned, for my family. I am able to lead Gibraltar with the confidence of my Ministers and the public. It is a total privilege to be Chief Minister of Gibraltar. I have not had an *annus horribilis*. The only horrible thing this year has been the disappointingly flat an uninspiring speech with which my Budget speech was met when I sat down: no fight, no welly in him, Mr Speaker. It is fine – if he does not want to do the job, that is fine.

1880 Delivering the speech in reply to a budget is one of the reasons why the Leader of the Opposition's job is the worst job in the world, because you have to prepare for it. It is very difficult. You have to react to something that is said. You have to have notes: if he puts up Social Insurance, say this; if he puts it down, say that. That is how you do it. That is how you prepare. He had not done any of that. But it is fine – if he does not want to do it, if his heart is not in it, that is fine, but do not pretend to do it.

1885 He said that we are doing nothing for young people. I am not even going to accuse somebody else of having written the speech for him, because given what I know of the characters of the other side, I think all of them would have done a damned sight better if they had written it for him. If it had come in on WhatsApp it would have been better. How can he say that we are doing nothing for young people? A thousand young people on scholarships and apprenticeships, of which there are a lot. Mr Bossano is blue in the face talking about the opportunities there are for young people – Mr Cortes also, and in Employment.

1890 He says, 'What about the T-levels? Nothing has happened.' Doesn't he know, Mr Speaker, that the T-levels are due to be introduced next year in the United Kingdom? It is the new A-level. If he goes back to my speech when I first mentioned them, it is the new A-level for introduction in 2019. In the UK they are talking about delaying them. We are talking here to the GTA about how we introduce them to ensure that we introduce them properly. But how can he say that we have done nothing on the T-levels and we have not introduced them yet? They were not due to be introduced until 2019. Go on Google and do 'T-levels', Mr Speaker, and see when they are coming. Isn't he embarrassed to be caught out on something as simple as that?

1900 He said that our contribution to Community Care was the lowest ever. Well, has he forgotten how low the contributions were in the time that they were in government? This is part of the argument of drizzling. They were zero so that the reserves would be depleted to zero.

1905 And then he went back to my arguments in 2011 on the per capita debt. Well, it is very simple. He can do the per capita debt calculation if he wants, going through all the company debt etc., now I have demonstrated to him that there was company debt then as well – so he might find it harder to sustain the argument, but if he divides £520 million by 32,194 people, he gets the answer for their per capita debt. If he divides £447 million by 32,194 he gets the answer for our per capita debt. It is down, Mr Speaker. If they want to include company spending, include all of that, well, let's include all of their company borrowing as well, but what they cannot do is double count.

1910 The hon. Gentlemen say, 'You have taken £300 million of loan, £300 million of borrowing' £300 million of loan because they say that the investment on the housing estates is a loan, £300 million of loan. They put in that PF £300 million owed. Then they say, 'You put £30 million into the Gibraltar International Bank, £30 million of borrowing.' I say we have taken it from the £300 million. They say it is £330 million more of borrowing. No, it is not; it is £300 million of borrowing, if it is borrowing. They are doing that all the time. They are reaching a number because Inspector Clouseau is trying to bundle it all up with his crooked calculator and he is falling for it. He should have more respect for his own intellect and work it out for himself, and if he were working it out as if it were a claim for damages for a client he would know that he

would not be able to double count that £30 million – just to give him one indication of the many mistakes that they are making.

1925 But going back to 2011 and using my arguments is – I always take it as – the greatest form of flattery. Mr Feetham did it every year that he was Leader of the Opposition – he still has done so by going back to my ministerial statement of January 2012 – and he has now done so by going back to 2011. As I am not shy of saying about myself, it was obviously, in 2011, the most successful Leader of the Opposition speech in reply to a Budget in history, because I was the only Leader of the Opposition who delivered one Budget response to a Chief Minister and then took over from him – so he can knock himself out reading it every time he wants.

1930 Anyway, he says we should deliver more growth in jobs for Gibraltarians and less for Frontier workers – 800 jobs for Frontier workers, only 75 for Gibraltarians. Doesn't he look at the numbers, Mr Speaker? There are only 45 Gibraltarians actively seeking employment. How can we get 800 of them into work? We can all continue to try to make more of them, but at the moment they are not available. Doesn't it even click about these things?

1935 And we are not doing enough to train people for a digital future. Doesn't he read the *Chronicle* every morning? You cannot be in politics in Gibraltar and not read the *Panorama*, not read the *Chronicle* and not look at all the ... Doesn't he know that CyberCenturian saw the largest representation in the finals from Gibraltar than from anywhere else? Four teams were from Gibraltar – one of them the team of all girls who advanced the furthest out of a thousand-odd and then 500 in the finals in all of the UK? Are we not doing enough for digital education in Gibraltar? The teachers who are doing that in the schools are magnificent teachers, Stuart Harrison in particular and Ms Gordon in the girls' school. They are dedicating their time. They are really investing in these children. We are supporting them in doing so. The digital education is there. Come on! Try harder, make some valid points.

1940 I think people protect their brains from his speech by not listening. In fact, I think it is his speech that inspired Mr Hammond to talk about noise pollution and how terrible it was. How can you come here and talk about plans for housing and talk about the forgotten estates when your photograph is in a manifesto that says that your plan for Moorish Castle is to demolish it? How is he going to go to the now magnificently refurbished Moorish Castle when the election is called – if he stands for election – and give his face to people there? Not thinking, Mr Speaker.

1945 And then he says:

how is it right that when each of our children reach the age of 18, parents feel the need to put their names on the social housing list in order to slowly creep up an archaic system to have the opportunity to buy into the Government co-ownership or be allocated a Government flat in the future?

1955 Two points. It was the GSD that lowered the age from 21 to 18. It was 21 before; they lowered it to 18. He is complaining that people are doing this for their children. And second, parents are not able to put their children on the housing waiting list; children have to put themselves on the housing waiting list. So the Big Lie reply, Mr Speaker, is the reality of what we are dealing with. The lies were all in their mouths.

1960 Mr Speaker, I have to deal with the hon. the independent Member now by telling her that she makes a terrible argument for inclusion and equality by starting out trying to exclude white male lawyers. (*Interjection by Hon. Ms Marlene Hassan Nahon*) We should have as much of a chance as everybody else, no more but no less. The hon. Lady cannot start this debate in our community about representation with a blatant political apartheid. I feel discriminated against every time she classifies me, with her father and all the others, as people who are overrepresented as a class in this political debate.

1965 She says 'so much for our robust economy' and we should look at the metrics and there is a lack of overall strategy – well, how can there be a lack of overall strategy when we have almost no unemployment, when all of the things that should be up are up and the GDP is up every year; that we should conduct a study of inequality because the minimum wage is £14,000 but the average top wage in our economy is \$111,000 – well, because there are people who are on top

1970 wages and that inflates the average and there are people who are on middle wages and that inflates the average and there are less people who are on low wages. The average tells you that; otherwise, the average would be much lower if there were a lot of people on low wages. But look, I obviously agree with her in relation to the minimum wage. No other Chief Minister is able to point to a record where the minimum wage has gone up by 25% – well, no Chief Minister other than Sir Joe Bossano, because he introduced the minimum wage, so it went from zero
1975 potentially to the rate at which it was fixed by the GSLP when it won in 1988.

Then she accuses us of not planning for the future. How can we not be planning for the future if we are investing in a thousand Gibraltarians every year to come back to our economy? How can we not be planning for the future if Albert Isola is out attracting good business to Gibraltar in the DLT and Blockchain space, in the financial services space, in the gaming space?
1980 How can we not be planning for the future? You would be seeing a tapering off of employment. You are seeing employment continue to rise. There are 28,029 people employed in our economy. It is more than a record. The ratio of residents versus employees is completely through the roof. At this rate, next year we will be hitting 28,500-29,000. If the growth continues, in three or four years' time a Chief Minister of Gibraltar will say, 'There are 32,000
1985 people living in Gibraltar, or 33,000 people living in Gibraltar; there are 34,000 people working in Gibraltar.' That shows you that our plan is working, but when we started there were 500 people unemployed. Give us the credit for that. She needs to check her facts.

We believe that she can eliminate the party on the other side, because they are such a shower that if she gets her act together she can eliminate them from opposition and from this
1990 House – but she has to get her act together. So she cannot say that GJBS is a company formed by the GSD; it was formed by the GSLP, Mr Speaker. The GSD very often accuse the GSLP of having formed GJBS, until they were of course elected. GJBS is a company that is there for the Government of Gibraltar and for the people of Gibraltar. It is there to deliver some of the best work in our construction industry. It is there to deliver whenever we need them to deliver on
1995 time and on budget. And at the time of the 2011 General Election Sir Peter Caruana turned up in their yard and gave them a 16% pay rise overnight after the election had been called. That is a shenanigan if ever there was one, Mr Speaker. I am not accusing her of any of that, but I am just telling her the history of GJBS so that she is aware of these men and women who do such an excellent job for Gibraltarians. They deserve to be recognised for the work they do and nobody
2000 should be suggesting that they do anything other than compete properly in the private sector. And it is right that, although they are a Government company, they fairly and without advantage compete in the private sector. They do not get all the jobs that they compete for in the private sector. Some in the private sector do not like the fact that they are owned by the Government. Some say, 'If I have a dispute with GJBS, they have the Government's deep pockets to take me to
2005 litigation,' so actually they lose work in the private sector as a result of being Government owned.

She talked about postal services costing us £9 million a year. We actually do not know where she got that from. We have looked in the book. Under head 51, 'Postal Services', the cost is
2010 £3.6 million. When you look at their receipts, which are in head 5, line 74, it is £1.8 million of revenue, so the net cost of the Post Office is actually £1.8 million. We do not know where she gets the £9 million from.

And assessments are no longer five years late in Income Tax, as she knows. We are bang up to date now and we owe less rebates than any Government has ever owed before. We are about two years into the process.

2015 She says that we are in crisis on housing. Well, Mr Speaker, we are not in crisis on housing. We want to be able to deliver the projects we have almost ready to go, but we are fighting to make them better, we are fighting to make them the best possible value for money. We are also fighting to make them fair to taxpayers and to everyone who has already bought an affordable home.

2020 But there was a crisis in housing in 1988 and the GSLP resolved it, and the housing waiting list by the time we left was 200, and we are determined to have what Pepito Baldachino always tells us is his greatest wish, which is for another Minister for Housing from the GSLP to get that total down from him because he holds the record, and we are pushing to achieve that and Samantha Sacramento is doing as much of a good job there as she is in dealing with arrears.

2025 She calls for a review of the Housing Act but I think we have already said that we are doing that, and for provisions of health and safety measures in common areas in rental flats, which ... the Hon. the Minister for Housing has got herself already into lemons territory in the context of actually taking people on because they have things in common areas etc. and she has done a very good job in order to be able to pursue that properly.

2030 I thought it was inelegant to use Grenfell as a way of hanging her hook in relation to the issue of housing. It is not necessary in Gibraltar to try and create panic or use that as a political tool.

We have announced reviews, for example in relation to Import Duty, and then she calls for a review of Import Duty. I think on those issues she needs to do more.

2035 She says she wants to see more young people involved in politics. I agree, but there are a lot of people involved in the young GSLP. If we can have more, of course we should.

And then she laments the final salary pension scheme, but she seems to forget that it was not us who did away with it; it was the GSD.

2040 She tells me to honour my commitment to private sector pensioner. I have. I am the only one who gave them a commitment and I have honoured my commitment; they just want more. Mr Speaker, we have given private sector pensioners who do not have a pension – or we have asked Community Care to give them and they have agreed to do so – the minimum wage per couple and 60% of the minimum wage per individual. They have come back and said that is not enough, they want £26,000 per couple. That is the latest meeting we had with them. They want £26,000 per couple. That is worse than unsustainable – it is impossible. And also remember that 2045 there are people in our economy who work and who do get pension funds for themselves and pay into those pension funds, and those who do not pay into those pension funds now want to be given £26,000 a year when they retire. And there are people who are civil servants who are in the final salary scheme and people who are public sector workers who are in the money purchase schemes, and those who are not and are not contributing should not be put in the 2050 position where they are as well off as those who have contributed. Nonetheless, I also entered into a separate commitment, which was to bring a Bill in respect of the creation of pensions of the private sector and that is now very well advanced and I expect to publish the Bill very soon, hopefully this year.

2055 Mr Speaker, how can she justify the idea that we are not socialists? Which Government has ever put up the minimum wage by 25%? None. Only the GSLP. And if we were not socialists we might not have hiked the duty on champagne.

2060 There is absolutely no question of backdoor privatisation at the GHA. In fact, one of the things that we are able to demonstrate is that in the GHA staffing levels have increased by direct employment by 25% over the last six years. In admin and support we are up 28, in medical and allied health professionals up 65, in ambulance up nine, in nursing up 92, in industrials up 28. The total is 223 more direct jobs in the Health Service in the time that we have been in government, so how can they sustain an argument in relation to privatisation? It is just absolutely impossible to sustain it.

2065 But look, I will tell her that I agree that there are moments when politics might *seem* terrible. She says we are trying to silence dissent in this House. Nobody is trying to silence dissent in this House but we are always going to be passionate in responding to someone who takes a view which is contrary to ours, and we expect passion back. There is nothing intended to silence dissent just because we are passionate in defending our point of view. Politics might be terrible. It does not feel terrible from this side of the House and it did not feel terrible when we were on 2070 that side of the House. However much we were battered, we always came back. We were honest in the positions that we took. I think that politics is the best profession. It is the

profession that enables us to deliver change, it is the profession that enables us to build communities, and what we are doing here is we are building. Just look around you, Mr Speaker. Politics done the way we do it is the noblest profession. We nurture the architecture of society. We build our community. That is what we are doing. And we are not an establishment, we are not a baristocracy; I do not identify with those words, Mr Speaker. It is absolutely wrong to think that that is what we are, because if she goes out into the streets with us she will see that we are not treated like the establishment by our people, and we would never accept that we should be.

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The times they are a-changing. They are indeed, Mr Speaker. It has been very hard for us to achieve it, but the times they are a-changing. There is no Gibraltarian now who does not get a job if they want one. There is no Gibraltarian who is deemed unemployable by the Government. There is no Gibraltarian who is not offered a cleaning job because Gibraltarians do not want to clean – there are many Gibraltarians who want and need to clean and are able to clean, if that is what they believe they should do. Mr Speaker, the times they are a-changing. We are delivering that change. It has been hard indeed, but we are delivering that change.

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Even the fact that she is seen on people's television screens when she delivers her speeches is a sign of the change that we delivered – as those who are incarcerated at Her Majesty's Prison know, given the work that we do with them there to create opportunities for them. I think she has had the information before from the Hon. Minister, but we are doing a lot, as is Joe Bossano, to bring back into the world of work those who might have found themselves incarcerated for a period.

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We are doing a lot on outreach through the Community Mental Health team and there is already a two-bedroom flat in the community for this purpose; and a lot of mental health service is being provided now for children, which we are working on.

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On the Prison recruitment, Mr Speaker, I understand five people have already been selected and the human resources manager will soon be communicating to those who have been selected that they have got a job.

Well, Lady and Gentlemen, I think I have been able to demonstrate that a lot more rigour is required if you are going to come to this place earning almost £40,000 – by the way, you get the full public sector pay rise at your pay rates – to criticise on behalf of the community and not even check your facts. Hon. Gentlemen on this side in particular need to be careful because, without wanting to insult Mr Speaker in any way, in the old days in shorthand they used to say that if Hassan and seven monkeys stood for election they would win. So hon. Members need to be careful that she does not stand with at least six monkeys or better, because they might find themselves in a very difficult position.

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If hon. Members heard a thud during the presentation by Mr Clinton, it was the thud of the Financial Secretary's jaw hitting the floor, and then the tsunami of thuds was all other accountants in Gibraltar having their jaws hit the floor as the signal from this place reached them in their places of work and they heard the things that they were saying. The Hon. Mr Clinton has got the book all wrong and he has led six of the seven Members opposite into the black hole of voting against this Budget. I think it is six but I do not know what Mr Llamas is going to finally do. It will be a real tragedy if he decides to follow them into that black hole.

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He missed most of what is in the book. I have demonstrated that he asks for accounts and then he does not look at them. Accountant says no is not a way forward for this community. It is not something that is going to create a legacy, but with his credibility now as dead as a dodo, especially when people go back and read his speech and read the response that Gilbert Licudi gave him and read the response I have given him in detail, I think people will realise that there is no good reason for hon. Members opposite to vote against this Budget, they are just concocting a reason; and that if the University needs to run a refresher course, it should run it for him in respect of his accountancy qualifications, but I am afraid that I think he is such a laughingstock now at the University it is unlikely that they are going to want to run anything for him. He has been caught with his accounting pants down and it ain't a pretty sight. In fact, after all of this, when they go away and think about it at GSD headquarters – the hon. Lady will be pleased not

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2125 to be there – I think they are going to be left with the hon. Member running around doing the
Benny Hill jog with the leader of the party chasing him because he is going to be so disappointed
at the way that he made him go against these estimates.

2130 Mr Speaker, the ultimate *a mi me* pertenece the ultimate expression of the culture of
entitlement, is to say that in respect of a book where this £635 million of appropriation and
there is £600-odd million of revenue, there is nothing there to vote on and that everything is
hidden. It is over £½ billion of revenue, it is over £½ billion of spending on all our public servants,
on our civil servants, on those in our agencies and authorities, on the people who are going to
2135 deliver services, on the frontline services in education and in health. It is all in here, and what is
not is what has never been in here before. And they are going to vote against all of that. They
are going to vote not to pay civil servants, not to vote anyone in the public sector, to close
schools, to close the Gibraltar Health Authority.

But look, in the end Mr Llamas is right, the Budget will pass. Investors are not listening to
them, they say, so they do not care. They will continue the gesture politics of voting against. But
after today he knows that he has been shown up as not being as clever as he tried to pretend.

2140 But there is another tragedy, apart from the fact that Mr Llamas is going to be put in the
position where he is going to vote against the Budget which I think he wants to vote in favour of.
The tragedy is that I spend more time defending Gibraltar and its accounts against other
Gibraltarians than I do against people from outside of Gibraltar. That is a tragedy, especially
today, as Mr Llamas said, when we should be united in the face of Brexit.

2145 I only have one trick that I bring to this House, Mr Speaker, and that is the truth, and these
estimates are the sword of truth. Their tricks are twisting and defrauding. I am not the king of
spin. I cannot spin a surplus certified by the Treasury and the Ministry of Finance, and I do not
need to, but it takes spin to turn a surplus into a deficit. What they do in order to sustain their
argument is they create a Ponzi scheme of an argument – a fraud by any other name, because
that is what a Ponzi scheme is, just like the current GSD, a fraud on the old GSD. In fact, the GSD
2150 is now led consecutively, apart from the interim period of interim leadership during the
campaign, by two men who stood against the party for election, and indeed in this House it is led
by somebody who stood against the party at an election. I never stood against the GSLP,
Mr Speaker – (*Interjection*) never stood against the GSLP.

2155 All I am doing is exactly the same thing that Sir Peter did from St Peter's chair, reporting the
same numbers, giving you the same metrics, and so from St Peter's chair – for this is where he
sat – I tell you, like St John told you, that this is the truth and the truth will set you free – free,
probably, of membership of this House because I think they will be free of membership of this
House if they continue in the vein that they are going in, but free nonetheless. Mr Speaker, if
they stop lying about us, we will stop telling the truth about them; I promise them that much.

2160 This is a great Budget: a Budget for Brexit success, a Budget that lowers the tax burden for
working families, a Budget that ensures that Social Security is still the lowest in Europe, a Budget
that lowers the tax burden also for middle-class families, a Budget for our collective health and
our collective environment, a Budget to make us match fit for a prosperous future outside the
EU, a Budget for those who are low paid and to provide incentives for those on higher incomes,
2165 a Budget for business and reducing costs of rates and other costs and keeping utilities low, a
Budget for pensioners, a Budget for students, a Budget for apprentices and for those who want
to do T-levels next year, a Budget for our children, a Budget for people with disabilities, a Budget
of positive truths that they do not like but our community will relish.

2170 Mr Speaker, their Big Lie replies will not deter me from saying that I commend the Bill to the
House, but before I do I want to say one last thing. Last year Mr Llamas put Gibraltar first and his
party second. When the time comes to vote this year, I wonder whether anybody ever should
put Gibraltar second.

I commend the Bill to the House. (*Banging on desks*)

2175 **Mr Speaker:** I now put the question, which is that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2019 be read a second time.

Hon. Chief Minister: Division, Mr Speaker.

2180 **Mr Speaker:** A division is required.

Voting resulted as follows:

FOR

Hon. P J Balban
Hon. Sir 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. F R Picardo
Hon. Miss S J Sacramento

ABSENT

None

AGAINST

Hon. R M Clinton
Hon. D A Feetham
Hon. T N Hammond
Hon. L F Llamas
Hon. E J Phillips
Hon. E J Reyes

Mr Speaker: There are 11 votes in favour; 6 against. The Appropriation Bill has been read a second time.

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Clerk: The Appropriation Act 2018.

**Appropriation Bill 2018 –
Committee Stage and Third Reading to be taken at this sitting**

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

2190 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

Hon. Chief Minister: Mr Speaker, I now invite the House to recess until quarter to four this afternoon.

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Mr Speaker: The House will recess until quarter to four.

The House recessed at 2.40 p.m.