



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.01 a.m. – 1.55 p.m.

Gibraltar, Thursday, 13th June 2019

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The Gibraltar Parliament

The Parliament met at 10.01 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 2019 – Debate concluded – Second Reading approved

Clerk: Meeting of Parliament, Thursday, 13th June 2019.

We continue on the Second Reading of the Appropriation Bill 2019.

5 **Mr Speaker:** I call upon the Chief Minister to wind up the debate on the Second Reading of the Bill.

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

10 Can I start by saying that I was very pleased indeed to see and recognise a number of young people in the Gallery during the course of the debate for the past three days. I think towards the end of yesterday, hon. Members Opposite finally managed to turn them off, but I was very, very pleased and it filled me with hope for the future of this community that there were young people listening to the arguments, that there were young people engaged in the arguments and that engagement in the years from now will stand us in good stead as they have some collective
15 memory of what was debated in this place the last year before an election in 2019. That can only be good.

Mr Speaker, of course it will not have been lost on those young people that there was only support for the increases in their maintenance grants from 11 out of the 17 votes in this House. I think that they will understand who has been increasing the spending on tuition fees and adding
20 to the opportunities to go away to study a second degree, who has been voting in favour of that and who has been voting against, 11 to 6 in this House.

Well, Mr Speaker, other than that it has been a long week and it is only Thursday. It has been a long week and it is only Thursday and most Members on this side of the House I know spent a lot of their time preparing for this debate with their officials – no doubt Members Opposite too.

25 But this weekend, Mr Speaker, I assume that hon. Members Opposite will start to enjoy their long weekend too – a bank holiday in the sun, Mr Speaker.

Albert Isola leaves tomorrow to Asia. He is going to be flying over the weekend to represent our people there. Then he goes to the Cayman Islands to represent me. I cannot go because we may have a new Prime Minister and I need to be there. And so, Mr Speaker, I guess that is why
30 Desperate Dan called him Invisible Al! (*Laughter*) We do not see him because he is out travelling the world, ensuring that Gibraltar's products are properly sold. He is always working. But I do realise of course that Mr Feetham felt he had to do something to try and hit Mr Isola, because of Mr Isola's effective, damning attack on the illogic of Roy Clinton's arguments on the £1,000 nominal line. So fear not, Albert: they were just trying to deflect.

35 Mr Licudi: off to Asia as well to carry on working on Monday on the bank holiday. I think what we have done is we have started a tradition and that side of the House does the demolition jobs

on the logic of what Roy Clinton says. He was destroyed by Gilbert Licudi's arguments on his mistakes on the university capital and recurrent spending last year and this year he was destroyed again by the arguments put and illustrated by Albert Isola on the nominal line.

40 Joe Bossano is not going to sit still either, Mr Speaker. He leaves tomorrow. So much for a long weekend holiday for us on this side of the House! He goes tomorrow to America to a British trade mission to Cuba, Mr Speaker.

Samantha Sacramento leaves tomorrow – no weekend for her either – to a Commonwealth Parliamentary Association event; and the Deputy Chief Minister and I leave on Sunday to discharge the honour of representing Gibraltar at the United Nations in New York. I did not see my children last weekend, I will not see them this weekend and I will get one day with them.

45 But as far as they are concerned, we do no work, Mr Speaker. And it is not even a sacrifice because it is a privilege and an honour to be able to do this work for the people of Gibraltar. It is not just us doing the work, working the weekends, it is not just this team; it is also our senior officials and our junior officials as well.

We do the job for which we were elected. To come here and to be denigrated for it, but we do the job for which we were elected. You will not find us, Mr Speaker, spending our days smoking and drinking coffee at Timeout, instead of going to the office, which was the case with GSD Ministers. There was a GSD Minister who never turned up for interview at the ETB.

55 I am making these points because I have to. I make these points because I have to point out that and all the other inconsistencies in the arguments that they have made during the course of the past 48, almost 72 hours and when I make these points, I am making them about the official Opposition, not about the hon. Lady. I was very keen to point out the 11:6 when I was dealing with the points on tuition fees and maintenance grants. I will address the arguments she put separately towards the end of my contribution.

60 Mr Speaker, they have told, in the past 72 hours, a lot of porky pies about us. In response, I will limit myself to telling the truth about them – because the truth is much more powerful than lies. I will take absolutely no pleasure whatsoever in pointing out all of the negative and destructive arguments that they have made which are untrue. I do wish, Mr Speaker, that they had been constructive. If I was advising them – not that they would ever take my advice – I would have told them in particular in this year, in an election year, to be constructive. Hope always wins over hate, Mr Speaker. What our people want is hope, not hate. They want constructive argument, not destructive argument.

65 But Mr Speaker, even in this election year they have decided to be destructive. So I will not be destructive. I will just deconstruct the arguments that they put. That I think is what our people deserve. I think it is the best way to understand what this Appropriation is about.

70 Mr Speaker, every morality play ends the same way. When we are reading a play we get to understand all of the characters. Because we are the reader, we are reading behind the action and we know who is telling the truth and who is lying. We know which character to side with and which character not to side with. We know which character is trying to dupe and we know which character is doing their best, working their hardest, telling the truth.

75 And because, Mr Speaker, this debate is about the state of the nation, it has become a little bit more about who is telling the truth than anything else, because it is not just about who is telling the truth about the numbers; it is about who is telling the truth about the nation and the way that the nation is progressing.

80 In fact, despite the early and nervous point of order that Mr Clinton tried to make, the debate has spilled over into allegations and innuendoes that have gone beyond the estimates. Not from this side of the House – you have had departmental reports from this side of the House – but from the other side, innuendoes, allegations, despite the nervous point of order made by Mr Clinton at the beginning of the debate. But I said in my early intervention that I would not allow the innuendoes and allegations of ruthless men to damage the reputations of good men. And so in the coming hours, like in every good morality play, I am going to demonstrate why the good men and women are sitting here, and why the ruthless men are sitting there. I do not

extend that description to the hon. Lady of course – although I disagree vehemently with some
 90 of what she said and I will demonstrate why.

Too often, however, politics is not a morality play. You cannot read behind what is
 happening. Too often that is not the case. But Mr Speaker, this state of the nation debate, at a
 GSD vs. GSLP level, has been going on now for almost three decades. If you bother to read the
 debates starting in 1988, going through all of the period of Caruana vs. Bossano / Bossano vs.
 95 Caruana, it makes for fascinating reading, if you have got the time or the inclination. Indeed,
 instead of just reading it, once we brought the cameras into this place, people can watch it –
 people can watch from 2012 onwards; they have not got to read. And once we started the
 monthly meetings, Mr Speaker, you could watch every month – although I recognise that Brexit
 has unfortunately stopped us from having that frequency which we so desire.

100 But whether you watch the *Hansard* of the videos or you read the *Hansard* over the past 30
 years, this morality play is now ready for a final act. You see, Mr Speaker, this culebrón really
 starts in 1991 and heats up in 1995. In 1995 is the first time that a GSD Opposition called the
 GSLP Budget an ‘optical illusion’. So much for original thinking, Mr Speaker.

105 An optical illusion is like a mirage. So we are not watching anything original here. Nobody has
 got up and said something new. The GSD have said in 2011 the same thing they said in 1995.
 That was the first year that they pooh-poohed the golden rules that they now hail as gospel,
 Mr Speaker.

I almost felt like titling Joe Bossano’s Budget speech before it went to the media as ‘A letter
 from St Joseph to the Apostles’. (*Laughter*) 1995 was the first time that Obi-Wan Bossano was
 110 threatened by the Emperor, Mr Speaker – sorry if I have got my terminology wrong. But I will
 come to the issue of the young apprentice later; he does not need to worry! (*Laughter*)

So 1995 was the first ‘mirage’ reference. The mirage in 1995 was Europort and the
 reclamation on the West side of Gibraltar. The culprits were then allegedly Bossano and
 Feetham – the names do not change in this place, Mr Speaker (*Laughter*) – the Hon. Mr Michael
 115 Feetham, who was then Minister for Trade and Industry.

Mr Speaker, with all of their middle class gusto and bad milk, we had to endure in 1995
 allegations of debt which were going to destroy the economy and the public finances; of optical
 illusions, Mr Speaker. Then in 1995, they were saying it was an optical illusion, that the debt was
 going to destroy the economy and that the GSLP had borrowed £100 million. That was 1995.

120 I know now that I am not the only one who reads the *Hansard*; they obviously read it too.
 They change the dates and they repeat the arguments. Things do not change, Mr Speaker; they
 just get bigger.

Look at this issue of the line that we open in the Estimates when we need to do an open and
 nominal line in the I&DF. Now it is £1,000, Mr Speaker, but as your very timely intervention
 125 reminded us, Mr Speaker – thank you very much for that, by the way, because it demonstrated
 that this idea that this was something new that only happened under the GSLP, that we had a
 line for £1,000 was something new – your timely intervention reminded us it has happened for
 time immemorial. It was established and normal: that which Mr Clinton was pretending was
scandalous was established and normal even in your time, Mr Speaker. You demonstrated,
 130 Mr Speaker, that in your day it was £100 and today it is £1,000. While in 1995 they claimed
 £100 million of debt, today they claim £1 billion of debt, with a ‘mirage’. So in 1995, ‘optical
 illusion’, £100 million debt; in 2011, ‘mirage’, £1 billion of debt. The same old GSD playbook.

Mr Speaker, remember that I reminded the House last year, when they were playing the
 other GSD argument: ‘You’re going to make Gibraltar bankrupt.’ I demonstrated that actually
 135 that argument had gone on for even longer. That one had started in the 1970s. You and Sir Joe
 were engaged with similar banter, and other Members of this House.

And I sometimes worry, Mr Speaker, when I go back and I look at these things and I remind
 the House that it is just the same argument being put again with the numbers slightly higher,
 that people are not listening, that hon. Members are not listening that I do all this research for
 140 nothing. I guess I need not have worried, Mr Speaker, because the honourable and always

affable Mr Llamas did me the honour in his speech of referring to my speech last year in his introduction and he I think indicated, he was quite gratified to see as a citizen that these things have been said before and actually Gibraltar was never bankrupt – absolutely right, Mr Speaker, we should all be gratified with that but unfortunately it is a reality that these allegations are bandied about.

Mr Llamas said, ‘No Gibraltarian would ever want to intentionally jeopardise the economic future of our nation – more so those who stand for election and have earned the trust and respect of the electorate.’ I absolutely agree with those sentiments 100%.

But Mr Speaker, by raising the spectre of impropriety – in 1995 it was the perception of impropriety - or raising the spectre or perception of financial difficulty or impending bankruptcy, you can actually talk an economy down. In fact many recessions start in that way, talking an economy down. But that is not what we are seeing in this morality play, Mr Speaker, between the GSD and the GSLP. In this *culebrón*, the GSD is trying to repeat the deception it achieved in 1995.

In 1995, their allegations of £100 million of debt and that everything was an optical illusion led to them winning the election in 1996. So that is what they are trying to do and people need to understand it. Everybody watching this debate needs to know that the only reason that they have been told that their magnificent record surpluses are a mirage is because they want to use the same trick they used against Joe Bossano in 1995 to deceive the electorate into blowing them into power this year. In the same way that the £100 in the line became the £1,000 in the line today, the £100 million has become the £1 billion of the allegations. Freddie Vasquez has morphed into Roy Clinton. That is all that has happened, Mr Speaker. That is all that has happened. The optical illusion is now a mirage. Same old, same old. No original thinking.

So, this morning what I am going to do is I am going to produce a potted history of those 30 years of debate to show the reader perhaps many years from now – or the listener or the watcher perhaps, now – that now they have enough of this morality play, of this *culebrón* to work out beyond peradventure who is telling the truth and who is telling a lie; who they should trust and who they should not trust; for them to see who cowered away from the fight and who turned to the dark side to achieve the ambitions of power sooner; for them to see who stood up to fight; and the most important thing that I will demonstrate by the end of my reply, what I will show, what I will prove, is that they are just once again telling the same lie. The Big Lie of the 1995 debt and optical illusion. They are just dusting it down and adjusting it for inflation, Mr Speaker.

Once I have done that, I think the reader, the watcher, the listener, will say, ‘Goodness, if I had known that in 1995, I would have taken a completely different view. I cannot trust the GSD now in 2019 because the Chief Minister has demonstrated to me from their statements and what they have said before, if I bother to look back, that I cannot trust them. I will not be deceived twice by the same party.’

They will see that it is not just lies about the mountain of debt or the mirage; they can also see the lies about the alleged web of companies, Mr Speaker. Web of companies: they almost make Joe Bossano appear like Peter Parker, spinning webs like Spider-Man. These are the webs that they were going to dismantle the morning after May 1996. What did they do? They made them bigger, Mr Speaker.

That was another point made by Freddie and Keith and Peter: the web of companies created by Joe Bossano was a *bad thing*. It had to be dismantled because it obscured transparency in government finance. That is another strand of this *culebrón*, Mr Speaker. They won in 1966 with all those arguments. They convinced the public that the web of companies was a bad thing. And yet in 1996 what they did was grow the web of companies. The web of companies became the Government’s corporate structure. So, web – corporate structure. Rat-infested reclamation on the East side – Sovereign Bay. Mr Speaker, you could not make it up!

But look, chapeau to the 1995-96 team: they won. They did it. They spun a yarn and they won. But that always happens in a morality play: the good guy always loses the first time.

195 And then, Mr Speaker, what they did was they did not just add companies; they added trading companies. They added trading companies with losses: with £100 million of accumulated losses when we were elected. I had to do a Ministerial Statement, Mr Speaker, setting out the fact that we had found £100 million of company debt in the GSD web of companies, because I got a doomsday memo from the then Financial Secretary and they said all of this was a lie, because they were also using the companies to fund capital expenditure. They were doing the two things: funding capital expenditure through companies and funding recurrent expenditure through companies, which they put into the web of companies which became the corporate structure.

200 Mr Speaker, they have said repeatedly that there was no such thing as a £100 million hole in the company. I want to thank the Hon. Mr Clinton for the arguments that he deployed on Monday, because by following those arguments through, one will get to the demonstration later in this address that actually the £100 million loss in the companies was there. But the way that Mr Clinton structured his speech, Mr Speaker, it becomes very easy actually to show where they put the £100 million and why they were there. So I am very, very grateful for the way that he structured his speech for that reason, as I will come to.

210 Everything that they said in 1995 was bad about the newly canonised Joe Bossano, they did more and more of. They said that £100 million of debt was bad – it was not there – but they acquired more debt. They said the companies were bad; they acquired more companies. They said that they were being used for borrowing; they brought it in for borrowing and for spending recurrent expenditure. This is not a case of a party that suffers *in vino veritas*. They do not get drunk and tell the truth – or maybe it is that they get drunk with power and they tell the truth. This is a case of *in imperium verite*. In other words, ‘when we are in power, you see the truth’.

215 The GSD now has moved on, Mr Speaker. It is not Freddie Vasquez, who was ruthless and effective; it is Roy Clinton, who is ruthless but ineffective. It is not Peter Caruana, because probably they have got no one to replace him with. I mean, the equivalent of Peter Caruana in 1995 is Elliot Phillips today here, the Leader of the Opposition. There is still Keith, back from the dead. But the GSD is a little bit like a hydra: you cut off its head and a number of other heads come up, Mr Speaker – all of them not as good, now trying to canonise the man that they assassinated in 1996. There was an attempt at a character assassination between the GSD and the Foreign and Commonwealth Office in the United Kingdom of Joe Bossano, which did not succeed because the man is made of metal and rock like no one else. Otherwise they would not be able to try to canonise the man they tried to assassinate 20 years ago.

220 Now they say that all his economic rules have to be followed to the letter. This is political schizophrenia of the worst sort. Indeed, it cannot be schizophrenia; it has to be *hypocrisy* because it is too clearly thought out. Indeed in some instances, they are saying things which are logically irreconcilable. They are either running a strategy there which the person reading the morality play will say is nonsensical or they are running a strategy which is to be all things to all men. ‘We’ll say the things we have to say, even though they are irreconcilable. Those who want to hear us say one thing will hear us; those who want to hear us say another thing will hear us.’

225 But Mr Speaker, by the end of this analysis everyone will know where the truth lies – where it lay in 1995 and 1996 and where it lies today.

235 The fact is that in their quest to win an election, the hon. Members Opposite have no regard for the economy or the impact of what they say. It is just a desire to win. When I say this is not a Budget where I need to win an election, and I say my responsibility is not to win an election – my responsibility is to be careful with Gibraltar and make sure that we get to the right destination – my desire, my wish, might be to win an election but my responsibility is to steer Gibraltar safely through these difficult times. Theirs is different, Mr Speaker. Their desire overcomes their responsibility and the way that they act is as if the economy did not matter. They will say whatever they have to say in order to be somehow swept into power.

240 I am already hearing nervous Billy Bunter style laughter, Mr Speaker, from the Opposite side because they know that they have called this the Big Lie Budget, just like they did last year. They

245 have called it a mirage, Mr Speaker. This is designed to paint their picture of a nation that cannot afford a balanced view of where we are and where we are going.

If at least they said, 'You can't do those things because you are spending too much money', and they said, 'Do not build the schools. The GSD says do not build the schools', well look, you might have some respect for their position. If the GSD says, 'Do not build the Children's Primary
250 Care Centre, do not build the Primary Care Centre', you might have some respect for their position. But they do not want to put their money where their mouth is, Mr Speaker. They want to say, 'Do not spend the money', but they do not want to say, 'Do not do the schools'. They want to say, 'Do not spend the money', but then they say, 'Give the pay rise to the teachers immediately, otherwise you are being unfair and the wheels are coming off your industrial
255 relations strategy'. 'Do not build the houses.' Come on! They must be clever enough to realise that if they are not prepared to have the gumption to tell us to stop those projects, they cannot seriously be telling us that the money is not there and that this is just a mirage.

Especially when their whole attack is actually not 'Do not build it'; their whole attack is therefore not, 'There is no money'. The whole attack is, 'Do not put it through the companies; put it through the I&DF.' Their whole attack!

260 Well look, Mr Speaker, I thought that before they prayed to St Joseph they prayed to St Peter. Putting capital spending through companies is something that – I have told them before, but I will demonstrate to them again – was done by them in government by the greatest Gibraltarian of all time, according to Mr Feetham.

265 Mr Speaker, if at least they were honest and told us to stop the spending, then people could choose whether they want them or us. Do they want them in power stopping the projects, stopping the new Primary Care Centre, stopping the houses, stopping the schools, and stopping the sports facilities, although they are likely to have been built; or do they want us in power building schools and building homes? That is the reality of the choice. But they are not honest
270 about that, Mr Speaker, they do not want to say that.

Make no mistake about it: if you build these things, it costs *money*. Who thinks that they can make the argument that we should build more affordable homes, or indeed rental homes, where you do not even get paid back the capital that you invest? They are saying build rental homes – build for £250 million and then rent for £17 a week. That is what they are saying in an
275 economy that they say is not doing well. What logic do they bring to the debate? Mr Feetham realises that this cannot be reasonable. I mean I have at least that respect for his intellect.

Mr Speaker, the argument is not even how we finance things. The argument is whether or not these things go in the book, and whether or not there is a mortgage and whether or not there is a sale. Well, Mr Speaker, in relation to the hospital, there is neither a mortgage nor an
280 I&DF reference, nor anything. If hon. Members wanted to make the argument as they have tried to make, barefaced deception of the public, that there is a mortgage and that people need to be worried about their homes, what do they say to the people sitting in beds in the hospital? The building belongs to the Royal Bank of Scotland, and we pay a rent because that is how they structured it. Do they not feel that our patients are going to be turfed out? For goodness' sake,
285 Mr Speaker! Where is the logic of their position?

Do they not realise, Mr Speaker, that the great deal that Sir Peter Caruana did in relation to the hospital means that the hospital is owned by a bank and we have to pay a rent every month to keep the patients in their beds. That is the great deal that they did. If we were applying Mr Clinton's standards, in fact, in relation to that transaction, do you know what we would say?
290 We would say that transaction was brought about in circumstances where there was a relationship of consanguinity between people in the bank and people in the Executive Committee of the GSD. That creates a huge potential conflict of interest, because the people in the bank were enriched by the decisions of the GSD in Government. That conflict of interest was designed for people to line their pockets. That is what we would say if we were applying their
295 standard.

But we do not say that because we do not take that attitude. We do not say that everyone is up to something and create innuendos. That is what they do, Mr Speaker. We point out what we do not like about the deal. Joe Bossano pointed out what he did not like about the deal in every Question Time. But we do not impugn the integrity of the people who were involved in the deal, despite the very close relationships that existed between the people who were on different sides of the transaction – and by the way, Mr Speaker, when did we find out about that? When did we find out about the fact that there was going to be a new hospital which was not going to be owned by the Government, it was going to be rented by the Government at a huge cost, paying a huge amount not of interest but of rent? Well, Mr Speaker, when we asked questions about it, because it was not disclosed by anyone.

So by Mr Clinton's lexicon, we uncovered the highest cost PFI deal done ever in Gibraltar's history, which involved relationships between people on the GSD and on the bank side of consanguinity and of proximity, which by their standards would relate to a conflict of interest after an investigation, and we discovered it because Joe Bossano asked questions.

Oh, by the way, Mr Speaker, dealing with those issues, dealing with how we apply Mr Clinton's yardstick to things, how does he feel about the £10 million that we lost on the Theatre Royal on their watch? £10 million lost! Do not worry, I will do all of the rest of the amounts that they lost on loans to OEM from taxpayers' money. I will do all of that and see how he feels.

How do they feel about GSD prudence, Mr Speaker, when they are *in imperium*, when they are in government? Surely, Mr Speaker, the colonial bookkeeper cannot be happy about having lost £10 million, about having lost £7 million of taxpayers' money in loans, about relationships of consanguinity between bankers and people in the GSD executive that lead to the lining of pockets. But he never answers those points, Mr Speaker, because he is not here to answer questions at Question Time; we are here to answer questions.

But even in debate, Mr Speaker, he does not deal with the issues in debate. Why not? Because they cannot! They have absolutely no answer for the way in which they grossly negligently lost millions of the taxpayers' money on loans and on bad property deals and on a rotten deal on the hospital. Maybe we should have a select committee to investigate that. Maybe we will, Mr Speaker. Maybe we will have a select committee on more than just that.

Let's be very clear. All of the things that I have heard hon. Members say about Gibraltar's economy and Gibraltar's public finances – two separate things – not being the success that the Government has demonstrated it is are not just inaccurate; they can be demonstrated to be wrong by any measure of the economy. So if he does not like the surplus, let's look at the GDP. If he does not like the GDP or surplus, let's look at employment. If he does not like any of those, let's look at the increase in revenue. If he does not like any of those, let's look at the number of unemployed. And if he does not like any of that, just walk around this community, Mr Speaker, and look at how it is being completely transformed by any measure.

Mr Speaker, are there issues out there? Of course there are issues out there. That is why it is absolutely right that we issue warnings to people. Joe Bossano was issuing warnings to people in the same way as I am issuing warnings to people, Mr Speaker, because people have to realise that if we are going to continue to have it this good, we have to look after what we have today. But from that, Mr Speaker, to say that the economy is on life support, as a strap line for this debate is *worse* than ridiculous. They are just trying to prove a view, Mr Speaker, but a view that they cannot prove any more. This is not 1995. People see through them now.

Mr Speaker, the only thing on life support would have been their credibility, but in fact it is dead on arrival. It is dead on arrival when you look back at 1995 and you look at the fact that this is just a repeat of that deception.

Of course things could turn adversely on Brexit. I was saying that in the context of my introduction but they do not seem to want to hear the arguments. Of course therefore, although this is an election and the GSD style would be to give away things at an election Budget, we have not done so. We have structured a *careful* Budget.

I am delighted, Mr Speaker, that what they are doing is talking amongst themselves because they cannot handle the truth. They cannot handle that what they have done is to really demonstrate how ridiculous their arguments are by simply dusting down 1995 and doing it all over again.

Of course we do not know what this year will bring, Mr Speaker. That is why this is called an estimate and why it is a conservative estimate. That is why the surplus is conservatively estimated, like every year. Do they not know that we estimate £18 million to £20 million of the surplus but we have ended up with £85 million. That is why it is a conservative estimate because we do not know what is around the corner, Mr Speaker.

This allegedly competent person in finance did not even spot where the Brexit provision was. Another thing that Albert Isola had to demonstrate to him, in the course of the demonstration that much of what he says is *utterly* unreliable. Okay, it is not called a 'Brexit provision'. What does he want, a flashing light and a hand pointing to things? Mr Speaker, maybe what he needs is a magnifying glass in order to see where things are in the estimate!

Instead, what he does is he shoots off, half-cocked as usual, and gets it absolutely and demonstrably wrong. He is, however, not the only one who gets things wrong in the Opposition, although he is the one who gets them most wrong.

Also entirely wrong, and obviously not up to the job, is the current official Leader of the Opposition – the Official Leader of the Official Opposition, as I suppose I should call him. I want to tell him honestly and genuinely – he can believe me if he likes, or not – that I do not dislike him. I really do not dislike him. In politics, there are some people who one just cannot help but dislike – it is normal, like in everyday life. But I do not dislike him, Mr Speaker. But I have to tell him – and I am almost telling him honestly as a counsellor, so he does not put himself through it again – that that was the weakest ever Budget response by a Leader of the Opposition in parliamentary history, bar none. He has outdone even himself last year – and I thought that was impossible, Mr Speaker, because last year he was abysmal. Utterly abysmal.

By the way, Mr Speaker, he was the one who said that the economy was on life support. He, who was dead on arrival as an incumbent for Leader of the Opposition, said that the economy was on life support. He does not seem to be doing badly out of the economy, Mr Speaker, and I am very pleased for him and I hope he continues to do very well. I should say, by the way, that at last they have replied to the motion on backbenchers, after I said in my speech that they had not, they have now finally replied to us on the motion on backbenchers.

He tells us, Mr Speaker, that because of Brexit we have to be more circumspect in our spending. But then he tells us that we have not done enough and that we are letting people down. It is such a basic contradiction that you would have thought that in writing his intervention, or at least whoever wrote it for him in writing the intervention would have realised that the contradiction was utterly blatant.

He talked about an economic and physical separation from the Continent. Well, Mr Speaker, I do not see a tug strong enough to tow us away from Europe. There is not going to be a physical separation from the Continent. And the idea that there is clear blue water between Joe Bossano and the rest of the Government because Joe Bossano does not comment on things which are not his portfolio competence and I do not comment on things which are Joe Bossano's portfolio competence is not even an argument. It is not even a weak argument; it is just not even an argument, Mr Speaker.

All of these political placebos that people say to each other at parties were strung together to make a speech: the 'champagne socialism'. Look, as a socialist, I take it very badly that people think that there are drinks which are not accessible to us. I tend to drink Coke Zero these days or water, but is it that the hon. Gentleman is saying that socialists are not allowed to drink champagne? We are not allowed to celebrate an election win, even by 68%, because the minute that we sip from that nectar we stop being socialists, we become something else, Mr Speaker? I thought they were in a competition with us to *be more* socialist – another argument that Joe Bossano has won. Not only is everybody now against the Brussels agreement, not only does

400 everybody now accept the golden rule, but now everybody wants to be a socialist, Mr Speaker!
Well, I hope there is no champagne around next time they have an annual general meeting and
they get more than 20 people in. Goodness, Mr Speaker!

‘We failed young people.’ ‘We will not have a highly skilled workforce.’ These things – I have
got replies for them, but is it worth replying, Mr Speaker? It is not even worth replying to
405 these things. We have the most highly skilled workforce in Europe – that is the problem. We do
not have technical people, but we have the most highly skilled workforce in Europe because we
send 70% of our people away to do degrees.

People will put us in the right place and they have given us our roles here. Well yes,
obviously, Mr Speaker. And by a margin of more than 2 to 1, they put us here and them there.
410 That is the reality of what our roles are.

‘People are entitled to know what your spending is.’ Mr Speaker, £676 million of spending is
in this book and they say there is nothing there!

And then Mr Speaker, they went on: we must protect our elderly and our young people, we
must make good use of our land. And I thought, ‘Hang on a minute. That is my speech from last
415 year that he is reading back at me.’ He was saying to us that we must do all the things we have
told him we are doing. We must give value for money to our people. Well, Mr Speaker, he might
want to give a charitable donation of the whole of his salary as a Member of Parliament then,
because frankly that is the only way that people are going to get value for money from him. That
must be why the Financial Secretary was wily enough to tell me that I had to raise the gift aid to
420 £10,000 so that he could get rid of it in four shots, Mr Speaker.

I do not know whether I should bother putting people through having to listen to my
responses to his speech because there was nothing of substance there.

Mr Speaker, he said that he had seen Joe Bossano on YouTube in the 1980s in America and
that I had plagiarised him and that he wanted to commend the younger Joe Bossano to the
425 current Joe Bossano. Mr Speaker, the things that Joe Bossano was saying in that YouTube video
were exactly the same things that he said about our land and our people in his first Budget
speech as Chief Minister in 1988, which is the one I analysed last year, which is the one I
paraphrase this year and summarised. Or has he not made the connection, Mr Speaker?

And apparently, Mr Speaker, we are giving away our land, which is the jewel in the crown, to
430 the few for the rich. To the few for the rich! We have built more affordable homes on our land
than they did, and yet we are giving away to the few for the rich. We are creating more land, and
we are giving away to the few, to the rich. Our development plan gives away to the few, to the
rich. But Mr Speaker, it is their development plan. It is the 10-year life of the development plan
dated 2009. So what is he talking about? Or did he have a PDP moment there, criticising the
435 GSD?

‘Victoria Keys is just for the few.’ We get half of the land and 20% of the company. For the
first time in history – and I told the House because Joe Bossano said we must negotiate a fifth of
that company belonging to the taxpayer – for the first time in history the taxpayer is going to
make something from a development. And when the taxpayer makes something, it invests what
440 it makes for the many, not the few. So can they please get it right? And all these horrible
buildings that he rails about: all the horrible buildings that they approved in their secret DPC,
that is the reality.

‘We deserve an open view of spending’: again, £676 million in the book, which they say ... I
mean maybe they just cannot be bothered to read, they do not want to do the work and that is
445 why they say there is nothing there.

‘Governing Gibraltar means making tough decisions which are fair and open’, he said to me,
Mr Speaker. Seriously, Mr Speaker? Seriously?

Every time I say no to something, they take the side of the people I have said no to! *A mi me
pertenece* culture is a bad thing: when somebody comes and says, ‘I am entitled to something’,
450 and I say no you are not, they say ‘*Uii que poca verguenza lo que me han dicho*’ ‘You should
have been told yes’. For goodness’ sake, Mr Speaker!

455 'This Budget does nothing for families,' he said. How can this Budget do nothing for families? It puts up all the tax allowances. It puts up all the scholarships. It has been welcomed by the Disability Society. It has been welcomed by Unite the Union. It has been welcomed by the GGCA in a circular to all its members. It has been welcomed by the GTA and ASUWT. The minimum wage is up – in fact, it is up a third in my time – and 'we do nothing for families'! And indeed, Mr Speaker, they are going to vote against all of that. They are going to vote against all of that.

I think the problem is that this does nothing for his family, because it does not get him any closer to his obvious ambition of power.

460 He said that we have hidden the true level of debt, because he talked about the £300 million investment, he talked about the £400 million in Credit Finance Company Ltd, the £400 million of gross debt. But why did he talk about all of that, Mr Speaker? I have told him about all of it. So how is it hidden? How can something that we are talking about and totting up and having different views about how it should be dealt with in accounting terms – how can that be said to be hidden, Mr Speaker?

465 'It is not in the book.' No, it is not in the book for reasons we have explained, and I will go into why Sir Peter says that it should not be in the book. St Peter said it should not be in the book. But it is not hidden, Mr Speaker. 'Tripe!' he said – *callos. Carne como callos. (Laughter)* 'Tripe!' he said – tripe is what came out of his mouth for 40 minutes, Mr Speaker. Better he had kept it all in.

470 But maybe, Mr Speaker, his attack might be slightly different because you see, he is not of GSD stock. He is of PDP stock. So maybe he *is* actually wanting to put clear blue water between Sir Peter Caruana's practices and his GSD. But given that he is not of GSD stock because he is PDP stock, Mr Azopardi is not GSD stock because he is PDP stock, and Mr Feetham was said by the founder of the GSD not to be GSD stock – well frankly, Mr Speaker, I do not think they have got enough stock to make a soup! No more GSD soup is possible because we have not got the stock.

475 He made the same mistake about the £1,000 nominal line. He said everybody is worse off, we did not listen to the young people who could not get a job. What, the 33 that I reported have not got a job?

480 Even Mr Feetham later on in the debate, through gritted teeth, congratulated us on having got unemployment down. But the Leader of the Opposition – because that is *apparently* what he is, Mr Speaker; the Official Leader of the Official Opposition – said that we were not doing enough for young people.

485 We are not listening to addicts, he said, Mr Speaker. Of course we are listening to addicts. What we are not doing is allowing ourselves to fall into the trap of allowing people to abuse addicts, to record them, to try and get those videos to go viral and to somehow in that way put pressure on the Government. He falls into a trap if he does that, Mr Speaker.

490 But this was all just high-level placebos. The classic final cherry on the cake, Mr Speaker, was when he said, 'Reform, referendum, remain' – that phrase that you have got your friend, Alistair Campbell to come up with. Mr Speaker, Alistair Campbell will take that very badly. He is paid to come up with much better than that. I came up with that entirely myself, Mr Speaker!

495 I felt an emotion I did not think I would ever feel when the Hon. Mr Phillips was halfway through. I really wanted Mr Feetham to grab the microphone and deliver the Leader of the Opposition speech. I never thought I would feel that emotion – rooting for Danny to once more take over the GSD. It was that bad.

500 Then he told us that what we should be negotiating in Brexit is that we should have continued freedom of movement and access to the single market, whilst at the same time we should tear up the tax treaty with Spain and the memorandums of understanding. He told us it was not possible two years ago to do that, Mr Speaker. Now he tells us it is the standard by which we must be judged and what we must achieve. This was just nonsense.

In one part of his speech, he said that we need to be positive and speak loudly. I have not heard such utter puff in politics in all my life; that the tax treaty is a success for Spain, a surrender for Gibraltar. The hon. Gentleman is a political shyster and he is going to be found out.

505 The costs of running Government have gone up 76% or £56 million a month. Well, Mr Speaker, first of all, what would he cut? If he is concerned it has gone up, what would he cut? What would Elliot Phillips cut? Would he stop the salary of the nurses or of the teachers? Would he tell the teachers he has not going to give them a pay rise? Would he instead tell the teachers, 'Sorry boys, instead of 46% up on the M1 scale, you are getting 25% down'? Would he do that?
510 He says that we have gone up 76% and that is too much.

Mr Speaker, the average increase in recurrent expenditure under the GSLP Liberals in the past eight years is 7% per annum. The average increase in recurrent expenditure under the GSD is 17.8% per annum. Maybe he has just putting distance between himself, as that PDP guy, and the GSD. Mr Speaker, I really was left thinking as he spoke of that great Meat Loaf hit, 'I want my money back', this is costing the taxpayer.

He says that at the May Day rally, I had to be scurried off by my personal protection team. Nothing could be further from the truth. I went to the Union May Day rally, knowing there were people who wanted to remonstrate with me, because it is my obligation to be there when people want to remonstrate with me, to hear their arguments, to discuss with them with
520 passion, not just to agree – to make the tough decisions, to put the taxpayers' point, not to run away as they do, every time that there is a serious argument. But it is clear, Mr Speaker, that if they were ever in a position of responsibility, his attitude would be to bottle it, to run away from the argument. He would not face the music and he has just admitted it.

Real training and real skills, he said that we need. Well, I suppose, Mr Speaker, on the whole
525 minimum wage, not just half, like they paid when they were there last time.

And then as he was coming to the end, he said, of course, on public finances, Roy Clinton would speak and on the context, Daniel Feetham would speak. But Mr Speaker, neither of them is the Leader of the Opposition. Both of them have been rejected by the GSD. Roy Clinton got less votes than the guy who was not entitled to stand for election as Leader under their
530 constitution. Although he had rented magnificent offices for the Clinton campaign, Mr Speaker – another great and prudent decision – he was rejected. And Daniel Feetham, Mr Speaker – well, that is history, for now at least.

He is the Leader of the Opposition, and he did not talk on public finances and he did not talk about the context. He should do a T-level in Politics, Mr Speaker.

535 And they are the biggest fans now of everything they said about Joe Bossano. But do they not realise, does he not realise that the hatred of Joe Bossano, the character assassination of Joe Bossano, is the glue that stuck the GSD together? Now that they love him, they are falling apart!

He said that we should have fairness in housing, Mr Speaker. What fairness? Favouring those who buy 100% of an affordable home over those who buy 50%? That is fairness. So if you can
540 afford less, you choose second. If you can afford 100%, you choose first. That is fairness in housing *à la* GSD. Very unsocialist, Mr Speaker. A few bubbles of champagne must have crossed his lips at some stage!

'We need to create more training for people in the gaming industry, otherwise they will not succeed.' Does he not know that out of 30 companies, two of them already have CEOs who are
545 Gibraltarians? That is magnificent. These are two excellent examples of Gibraltarian ability, of Gibraltarian diligence and skill. CEOs from Gibraltar!

His speech was pitiful. It was pathetic. When he looks back at it, he will be embarrassed, Mr Speaker.

550 'The biggest crisis in housing in our history', he says. Well, Mr Speaker, if you woke up yesterday and thought that the day before, everyone had a home and this day they were on a housing waiting list you might say that; but anybody who has been here for long enough will know what the list was like in 1988, what the list was like in 1996, and what the list was like

again in 2011. Yes, there are a lot of people waiting for the 1RKB, but there are a lot of people who are couples, who are both down for a 1RKB – or does he not know that?

555 What about all the spending we have had to do, repairing the estates that they created? What about the need to repair the Mid-Harbour estate, which is literally breaking apart?

And by the way, Mr Speaker, when he says they are selling the purchasers' 50% – no, we are not. No, we are not! We are selling *our* 50%, Mr Speaker, not the purchasers' 50% – or do they not understand that the ownership of the remaining 50% remains with the Government, in what
560 Sir Peter called dead money – capital that will not be realised?

It is not housing that is broken, Mr Speaker; it is the GSD that is broken. They are broken in half, maybe even in quarters. They are torn asunder. The hon. Lady left. The Hon. Mr Llamas left, came back, and just told us he is about to leave again. (*Laughter*) They are being propped up by the PDP – indeed, they are being led by the PDP – in Parliament and outside. And if it is not the
565 PDP, it is the Labour Party. The takeover is complete.

And of course, Mr Speaker, Slim Shady never stood up – as usual. The nomad is always such a disappointment. In fact, maybe it is time for Slim Shady to shut up, not stand up.

If he needs to better understand this book, Mr Speaker, he needs to understand it is a business plan for the spending of £676 million of our nation's money, and for them not to even
570 bother to scrutinise it is utterly ridiculous.

Who sold the crown jewels, Mr Speaker? *They* sold the crown jewels. *They* sold all the post-war properties that people were prepared to buy – sold. If Mr Clinton were right and we had done a mortgage over them, does he not understand that in a mortgage you get the property back in the end? It is the best way of keeping to your crown jewels. If you sell it, you alienate it
575 for good. Thank goodness that Samantha Sacramento and the Financial Secretary have worked a mechanism for us to be able to buy all of that back, Mr Speaker! (*Interjections*)

They sold every single post-war tenancy that people would be prepared to buy. So, if they say, Mr Speaker, that the crown jewels are in play, they lost 200 of the diamonds in the crown jewels. That is what they did. That is what they did and that, Mr Speaker, is half an estate – half
580 a rental estate. So they tell us to build a new rental estate. They alienated half a rental estate – indeed, a whole small rental estate – by selling it to people. Those houses are no longer available for people on the housing waiting list, because they have been bought. So if you buy a house, you can give it to whomever you like. We cannot give it to the person who would next be entitled. *They sold the diamonds in the crown jewels*. Thank goodness we have the wherewithal, the financing, the ability, the successful economic performance to buy those properties back and to put them back to the use of those who most need housing in our community, those who most need rentals. Mr Speaker, that was bad for the rental stock.

And if arrears have hit a brick wall, Mr Speaker, because we have done all of the work that we can do but continue to do more, it is not the brick wall that it hit when they undid the Central Arrears Unit. Talk about creating the *a mi me pertenece* culture. They stopped chasing people who did not pay. How can they accuse us of somehow nurturing the *a mi me pertenece* culture? They planted the seed, they watered it and they covered it in their usual compost – and everybody knows what compost is made of, Mr Speaker. We heard enough of it in the past 72
595 hours.

'We will not vote for this book, Mr Speaker, because it is not clear, it is not fair, it is not accurate and it is a gross dereliction on our part if we support it.' That was his final moment. That was the strength of his submission, and it was absolute puff, it was vapour, Mr Speaker. It was *levante*. I hope that although they called him Elliot, they did not think they were calling him Elliot after General Eliot. There was a man who stood and fought in the Siege of Gibraltar – made
600 of real mettle. This Elliott is not made of any of that. But even then, Mr Speaker, I do not dislike him as I told him when I started. (**A Member:** If you did ... !) (*Laughter*) But if they say these things, I have to reply.

Turning now to Mr Clinton, who delivered, Mr Phillips told us, the address on public finances, I am going to reply to Mr Clinton and Mr Feetham together in some instances because some of

605 what they said crossed, contradicted, tried to find support for some of the arguments. And of course, as Mr Phillips said, one was going to talk on public finances, the other was going to give the context. So it is Mr Phillips who leads for the Opposition but actually the submissions that a Leader of the Opposition would make were made by Mr Clinton and Mr Feetham separately. Okay, so I will have to deal with them in some instances together.

610 Some of their arguments, as I say, Mr Speaker support each other, some of them contradict each other. Quite an interesting tag team to follow in an intellectual way, Mr Speaker – seeing Mr Feetham and Mr Clinton working together, bumbling along with their arguments. It is a bit like watching Laurel and Hardy, Mr Speaker. I will not say which is which, Mr Speaker, but I will say this: they would have done better if, like Laurel and Hardy, they had stayed in the silent era.
615 ‘Maybe next year they will reply to me’, said Mr Clinton – with not a hint of arrogance, Mr Speaker. ‘Maybe next year they will reply to me.’ He already sees himself here, Mr Speaker. He already sees himself with the deception of 1995 updated, the optical illusion becoming the mirage, people deceived and him swept into power. He already sees it. I wonder whether he has chosen his suit for the day when he will be sworn in as a Government Minister, because he
620 already sees himself here giving the speech on the Budget for public finance.

Well, Mr Speaker, he could become a Minister. He could become a Minister, we take nothing for granted. We are humbly going to put our record before the people of Gibraltar when the election comes and they will make the choice and they will make the decision. But that is why today I have to deconstruct his arguments, to ensure that the people of Gibraltar make a
625 decision based on the truth. Whatever decision the people of Gibraltar make, it will be the right decision as far as I am concerned, even if I disagree with it. But they must make it based on the truth, not based on a deception.

When he said that he could be here giving the speech, he gave himself away. ‘By the mouth dyeth the fish’, Mr Speaker. Everything that we have seen, everything that we have heard, is an attempt to get here; not an attempt to do a fair and balanced analysis of the estimates of
630 expenditure. It is a tactical attempt to go back to the deception of 1995, to denigrate today’s numbers, to ignore success and to try and persuade some people that for that reason they should support them.

‘It is a mirage, Mr Speaker.’ The only mirage is the mirage of competence on his part, as I will show when I demonstrate the huge level of incompetence that he has brought to this debate in the way that he has done the analysis, but not just for this year. His incompetence is legion and even Sir Peter Caruana will have cause to pick up the phone and ask him, ‘Roy, *para ya!*’ – to stop with these new big ideas that he brings, voting against the Budget, undoing the surplus by counting the corporate spend. I think he will get a call and he will say, ‘Look, you are not just
640 doing down your own reputation; you are doing down all of our reputations.’

I told the House, Mr Speaker, what they said in 1995. I have got it here. Freddie Vasquez had said that this was all an optical illusion, and Joe Bossano, replying to him, said:

The thing that he has just admitted to us five minutes ago is the only thing that in his book we can take credit for is what he said in 1992 was not real.

The optical illusion then, Mr Speaker, had been the reclamation.

... not real, and created by spending borrowed money. The Hon Mr Vasquez has told the House today that we have got a crippling mountain of debt and in one of their political broadcasts a year ago they said we had borrowed over the £100 million and it is not true. They know that it is not true.

645 And remember what I said before that Elliot Phillips had said about the economy being on life support. Well, another thing that Freddie Vasquez had said was that we had a *wrecked economy*. Wrecked economy – economy on life support. Mirage – optical illusion. £100 million – £1 billion. It is all the same, Mr Speaker. All of the same – just adjusted for inflation.

650 But I dare say there is one big difference, Mr Speaker: Danny Feetham did not agree with the analysis in 1995, because it was being done of the GSLP Government. It was being done of the work that Joe Bossano, Juan Carlos Perez, Michael Feetham and others had done, which did Gibraltar proud.

655 The difference is that Daniel Feetham now prosecutes the same case that Freddie Vasquez prosecuted against that GSLP Government in 1995, with the same terminology and with the same attempt at sleight of hand. The economy on life support today was the wrecked economy then.

Mr Speaker, there are more repeats on the GSD playbook than there are on GBC at the weekends! All the things they praise Joe Bossano for now – the great economic performance – were the things that they were knocking him for. It is incredible, you could not make it up, Mr Speaker, these GSD politics.

660 They even mocked as recently as three and a half years ago – not 30 years ago, not 25 years ago, not 20 years ago, not eight years ago; as recently as three and a half years ago – they mocked his predictions on the GDP again. Mr Clinton and Mr Hammond went on television and said, ‘You’ll never achieve that.’ Not only have we achieved that, we have achieved it a year early! Maybe that is why they are converts, Mr Speaker. They had a Damascene conversion on the way to the House of Assembly for this Budget debate. *Dan más vueltas que un trompo*. They really do turn more than a spinning top, Mr Speaker.

665 And by the way, if they think that Joe Bossano is siding with them and not with the GSLP, Mr Speaker, why don’t they offer him membership of the GSD? See what he says. Or why don’t they try and come and join the GSLP? See what he says, because they know that one of them is barred for life.

670 I am starting to wonder, Mr Speaker, whether or not actually I might want the GSD to survive for another 25 years. I always thought they were too dangerous and that they should be got rid of. But actually, reluctantly, I might take the view that they should be the ones to survive, because maybe in 25 years they will be saying great things of me. They are trying to assassinate me now, but maybe they will be saying that I am the best economist since sliced bread in 25 years, given the way that things are changing.

675 But at least some of them are making exactly the same sort of distasteful and untrue allegations that they were making in 1995-96 – not just the ones that I have referred to. They are creating innuendos and spectres of impropriety, etc. But history shows that the truth will out.

680 Mr Clinton tells the general public in Gibraltar that they are being cruelly deceived; the truth is the Government is running two sets of books and we are only being shown a fraction. He knows that is not true, Mr Speaker. But if it were true, it would be exactly the same fraction that was brought to this House by the GSD under Sir Peter Caruana. The only fiction, Mr Speaker, is the fact that he delivers only half of his speech. He delivers the half of the speech which analyses the economy in the deceptive way that he wants to analyse it. He tries to give a pessimistic picture of the economy, but he does not deliver the second part of his speech, which is: ‘And therefore if I was in government, I would stop the programme to build schools, I would stop the programme to build a new CPCC, a new PCC, I would stop the programme to build new houses.’

685 He does not want to tell us that fraction of his speech – the next logical part of his speech.

690 ‘The Budget system is not fit for purpose.’ That is what he said. Well, it is a good thing he has come to the House to tell us that. It is a good thing, thank God, Mr Speaker, that after 50 years this House has been told that its budgetary systems are not fit for purpose. What would we do without him? Well, it is as unfit for purpose as when Bob Peliza was here; as unfit for purpose as when Joshua Hassan was here; as unfit for purpose as when you were here; when Joe Bossano was here; when Sir Peter Caruana was here. As unfit for purpose – nothing has changed.

Mr Speaker, let’s be very clear. They called me unfit to govern in September 2011. On 9th December 2011 the people decided otherwise. Now they are saying that the book is unfit. At the next election the people will show them that they think otherwise, I am sure.

700 Why is the book unfit? Why is the Budget system unfit? Why do they have to vote against the Budget? For one simple reason: because since coming into government – his phrase – the GSLP
705 Liberals are diverting capital projects into companies. Mr Speaker, that is a *sick joke*. He has been here now for three years. He might have said it the first year. In the first year, when he said something like it, I did the analysis for him, showing him how the GSD had put all the capital
710 projects through companies. He said it again the second year, and I told him again. He said it again last year and I told him again. He seems to like to crash his car against the same brick wall every single year.

But just like Gilbert Licudi nailed him on his mistakes on recurrent expenditure and capital expenditure in the University, just like Albert Isola nailed him yesterday on his beginner's
715 mistake on the £1,000 nominal line, I am going to demonstrate that the reason that he has said that the surplus should disappear is one that has greater consequences for the record of the GSD than for us. Because you see, Mr Speaker, in every year that they were in government – let's just take the last eight anyway – the GSD use the company structure to finance capital projects in every single year. In fact, Mr Speaker, between 2001 and 2011, they spent £808
720 million in capital projects. That is a lot: £808 million.

Remember that Mr Feetham says that I have spent too much, because Mr Feetham says, 'You have spent £750 million on capital projects.' They spent £808 million. Mr Speaker, if we gross it up, that is probably over a billion now, if we total the inflation. Of which almost £300 million was spent outside the book. £300 million was spent through companies, 'without passing through
725 the Government's accounts' to use Mr Clinton's description, which I do not share.

So why should we have less faith this year than we had in all the years that they were in government? And now he raises that this is all unconstitutional. But Mr Speaker, why is it unconstitutional now when it was constitutional when the person who was doing it was the draftsman of the Constitution? (A Member: Hear, hear.)

730 One of the things that Mr Feetham tells us is that one of Sir Peter's greatest achievements is the Constitution. And yet he stands there now with Mr Clinton and says that Mr Caruana, Sir Peter, was in breach of the Constitution for the five years between 2006 and 2011 at least – unless they are referring to a part of the Constitution that goes back even further to the 1969 Constitution. You could not make up this nonsense, these contradictions! Laurel and Hardy would do so much better to have stayed in the silent era. How can the greatest Gibraltarian of our time be accused by the same people who elevate him to that standard of acting unconstitutionally on the key issue, which is public finance?

They say that these transactions that we are doing by putting capital spending through companies produce an unacceptable distortion that requires them to vote against the Budget.
735 But in 2011, in the General Election, in 2007, in 2003 and in 2001, all of those things were prudent financial management. So recurrent expenditure goes up too much because it is going up 7% – that is terrible. But when it went up 17.8% under them, it was prudent financial management.

Using companies for capital spending is terrible; but when they were doing it, it was prudent financial management. When we created reclamation, it is a rat-infested place. When they have the same reclamation, with not one more grain of sand, it is Sovereign Bay. My goodness! Talk about do as I say and not as I do.

Well, I am going to do an analysis now, Mr Speaker, that even though he is nervous and he is trying to pretend that he is not listening, even though he does not want to hear it, Mr Clinton should listen and he should try to find a reply to it – although there is none. I know that they do not like the fact that I am replying to them and that I am going into granular detail. I know that they do not like the fact that I have found the arguments which they are trying to hide which demonstrate that this is a deception, Mr Speaker, but they should deal with them. They should have the respect for the people of Gibraltar to listen to the answer to the spurious deception
745 that they have tried to create, and then deal with the answer.
750

I am sure that there may be something they want to say, but they should say it about the answer. They should not put the same arguments again.

Listen to what Sir Peter had to say in respect of borrowing through companies. This is a letter from St Peter to *his* disciples in 2005. (*Laughter*)

Construction of one of the Government's new housing schemes, now known as Waterport Terraces, gets ... under way very soon ...

755 It was delivered many years late, hon. Members will recall.

... and will be funded mainly [via the] companies.

(Several Members: Oh! Shame!) In 2005, Mr Feetham was not sitting here. In 2008 he was. In 2008, Sir Peter in a new encyclical to his disciples said this, Mr Speaker, with Daniel Feetham sitting next to him, with his young apprentice just there:

In addition to the capital expenditure through the Improvement and Development Fund, a total of £48.2 million has been expended through the Government companies.

760 Wow! And do you know what Mr Feetham did, Mr Speaker? Did he get up and said, 'I'm not voting for that'? Did he get up and say, 'This is disgraceful, it is unconstitutional'? No, I will tell you what he did, Mr Speaker. (*Banging on desk*) 'Aye!' That is what he did, Mr Speaker. 'Aye!' Because at that stage, Sir Peter did not do what he sometimes also did to him, which was: 'Shut up! Shut up!' and tell him to sit down. Remember that, Mr Speaker? With a bit more authority and gravitas of course. (*Laughter*)

765 Mr Speaker, in 2009 – so this is now the New Testament, this is the end - with Mr Feetham sitting next to him – he said:

In all, during the last twelve years we have invested a total of £427 million on capital projects, of which £278 million has been incurred through the Improvement and Development Fund ...

It is a lot of money.

... and £149 million through Government-owned companies.

770 And what did Mr Feetham do? (*Banging on desk*) 'Aye!' That is how he voted for spending through Government companies, Mr Speaker.

775 So in that time with Mr Feetham sitting here as a young apprentice, Mr Speaker – not a very good one, but as a young apprentice – this was no longer 'a web of companies and you are hiding the transactions'. This was 'magnificent, prudent management of our nation's affairs'. And why is it wrong if I do exactly the same thing? If this Government does exactly the same thing? Well, Mr Llamas has told us, Mr Speaker – Mr Llamas, to be fair to him, with his disarming honesty has told us what is wrong if we do it compared to when they did it. He said – and he has nailed his colours to who he is and why he was in the GSD, on which side of the many wings of the GSD he was in – he said, 'Because I had faith in Sir Peter.' He is the one who should call him St Peter.

780 But look, Mr Speaker, that is an article of faith. It is fair enough. If you say, 'I trust Sir Peter to do things which are hidden, but I do not trust you', I have to accept that. It is a fair argument. They might think he is a man of probity. You are a man who likes wine, women and song, and fast cars and they are not prepared to trust you – well, look, they would be wrong, but it is an argument. But do not say this system is worthy and this same system is not worthy. Say, as Mr Llamas has said, 'Look, I trust him; I do not trust you.' Fair enough – that is how you vote at a general election. But do not come here pretending to make an argument. (**A Member:** Hear, hear.)

I cannot argue with Mr Llamas' article of faith – although I do appreciate, given his actions and the first paragraph in his speech, that there are very few like him left in the GSD.

790 Mr Speaker, is it that I have to apply for membership of the yacht club in order to be trusted by them. Is it that if I a member of the yacht club, I can do spending through companies, but if I am just a boy, born in El Calpe, I am not able to do exactly the same thing that Sir Peter did? Is that the issue? Is it modern racism, Mr Speaker? (*Interjections*) Is it modern racism?

795 Mr Isola is, but it is not Mr Isola making the argument. I am not suggesting that hon. Members are members. I am suggesting that Sir Peter is, because they trust Sir Peter. They trust Sir Peter, who is a member of the yacht club, but they do not trust me. I am not suggesting that any of them is, Mr Speaker. Maybe none of them would make it, you never know, Mr Speaker. They have got enough black balls for them and everybody else, Mr Speaker!

800 I am sure Mr Isola would not black ball any of them. He is a bigger man, Mr Speaker. He forgives them for all the nonsense that they say, all of the innuendoes. (*Laughter*) But I am not a member of the yacht club. But if *their* member of the yacht club does it, it is fine. If the boy from El Calpe does it, it is disgraceful. This is modern racism, Mr Speaker. It is neighbourhood-ism!

805 Or is it because Sir Peter was of Maltese extraction, and Sir Joe and I are of Italian extraction? I am left trying to work out what it is. What is the different characteristic that we bring to the party that makes it unacceptable when we do it? Not to Mr Llamas, who has been very clear in his view, but to them, Mr Speaker. Is it that they are condemning us because of our Italian descent? (**Hon. Sir J J Bossano:** Genoese.) Genoese. This is modern colonialism, Mr Speaker, that Feetham and Clinton, two English names, will not accept that Picardo and Bossano should do the things that they did. And so this is modern colonialism.

810 Do they want us to call them 'bwana'? Will they not give way to the *jefe*, just like the Financial Development Secretary did in 1988? Or is it, Mr Speaker, that they do not realise their contradictions? Do not they see that they are the ones changing colours every day? Every year, in every Budget debate, depending on where they are sitting, they say one thing or do another. They are left to look utterly politically incompetent and ridiculous by calling unconstitutional that which they supported and encouraged when they were in government.

815 In fact, they raise the hyperbole so much, they say it is unconstitutional today. They said it was prudent financial management then. Slim said that they had left' a golden legacy', Mr Speaker. But it is all a sham and a mirage under us. Proper transparent accounting under them. Untransparent and unfit for purpose under us.

820 Mr Feetham has gone from GSLP to GSD. He has gone from praising Joe Bossano to calling our companies a web of companies to now praising Sir Joe Bossano again. He then went to the GSD and praised Sir Peter. He was praising company borrowing until 2011 and now he is calling it unconstitutional. He has become a veritable political Boy George, Mr Speaker. And I kick myself for not having realised it sooner. He is the karma, karma chameleon of the 1980s hit and the lyrics are perfect, Mr Speaker. I say to him in the words of that song, to this political Boy George, to this karma chameleon:

If I listen to your lies, would you say
I'm a man without conviction
I'm a man who doesn't know
How to sell a contradiction
I come and go. I come and go ...

from one party to another, from one argument to another. That is the reality

But it is not just him. Laurel and Hardy together are the karma chameleon. They are the political Culture Club that we have, Mr Speaker.

830 But look at what he was praising in 2009. Listen to what Sir Peter said in 2009:

... last year, in addition to the Improvement and Development Fund's spend of [£39 million], a further £70 million was spent through Government-owned companies, making a total for the year of £109.6 million.

Did they get those numbers? Did they get those numbers, Mr Speaker? I think it is only the hon. Lady can bear to listen, because I think they realise that they have been caught out and they must have that feeling in the pit of their stomach, when you are caught out and you think, 'Oh my God, they found me out!'

835 Mr Speaker, £39 million through the I&DF; £70 million through the Government companies; 65% of all capital spending in 2009 was through the companies. So how do Laurel and Hardy feel now, Mr Speaker? That one of them needs to go off to do a Boy George. How does Boy Roy feel, Mr Speaker?

840 You see, Mr Feetham was voting for that. (*Banging on desk*) 'Aye!' At least Mr Clinton was not here. How does that make Laurel and Hardy look? Maybe Mr Clinton will go to that other verse of Karma Chameleon and sing it to Mr Feetham:

Don't you hear your wicked words every day
And you used to be so sweet I heard you say
My love is an addiction.
When we cling, our love is strong
When you go, you're gone forever ...

Except he never goes, Mr Speaker!

He strings along, he strings along.

845 He told us he was going but he is staying. I think Mr Clinton devised all of his arguments when Mr Feetham said he was resigning and leaving the party, because otherwise he makes these arguments, saying all of this is wrong, with the guy sitting next to him who said, (*Banging on desk*) 'Aye!' It is ridiculous, Mr Speaker. There cannot be much love lost between them.

In the end, Laurel and Hardy broke up, Mr Speaker – just like Jerry Lewis and Dean Martin. In the end they broke up. Just like Smith and Jones, they broke up in the end, but they do look pretty ridiculous from where I am standing. They look pretty ridiculous. (*Interjections*)

850 To the *whole nation* now, Mr Speaker, they just sound like men without conviction who cannot sell a contradiction. They come and go and they string along, but they are not leaders. They are just political hip shooters who do not care what damage they do to our nation with their irreconcilable statements. They can laugh, Mr Speaker, but deep down this is damaging our nation. It is damaging trust in politics and it is bad, Mr Speaker. They do not, I think, sometimes
855 even realise.

And by the way, in 2010, Sir Peter told the House that he was going to spend another £47 million through the companies and in 2011, an election year, £63 million spent in the companies. All of it outside the book, according to them. That is the way they refer to it: 'outside the book'. All of it in keeping with the chameleon, Mr Clinton's standards – scrutiny not available
860 to the House. All of it, according to Mr Clinton, unconstitutional. *All of it*, by the way, by his standards, annihilating their surpluses – all of it. For every single one of those years.

865 Or is it that he did not bother to think this through, when he was crafting his clever little argument, on his grubby notes for the debate? Did he not think through that what he was doing goes to the heart of the argument? Not just this argument; the historic argument in the moral play that has been played out in this place since 1995 between the GSD and the GSLP. It goes to the heart of it, to the argument of the optical illusion in 1995; to the arguments about Big Lie elections in 2011 and in 2015. Did he not work that out?

870 They say this, Mr Speaker – Mr Clinton said this to the nation in his Budget address ... I noticed at one stage, Mr Speaker, he was up against the match between the GFA and Ireland, and 33 people were watching online – the unemployed, Mr Speaker.

He said this: 'If you had spent what you have spent through the companies, through the Improvement and Development Fund, through the book, then your surplus would disappear.' That is what he said. He said that on Monday evening, Mr Speaker. This is *key*, because it is the edifice upon which not just his argument, but Freddie Vasquez's arguments, Sir Peter's

875 argument against the GSD, every single one of their arguments ... their non-vote for the Budget hangs on this.

‘If you do that spending through the companies that you have done, through the book instead in the I&DF, then you don’t have a surplus. Therefore your record surplus is not there. Therefore it is a mirage or optical illusion. Therefore we are not doing economically well. Therefore our public finances cannot afford your spending.’ That is what he said.

880 Well, first of all, even if we did that it might still not be true, because if we did that, but at the same time we added the £50 million that we have in the Savings Bank reserve and all of the other pots of money that we have that they had left down to zero and which they, in financial years which were election years, brought into the Consolidated Fund, we might even be left with a surplus even then. So I am not going to accept that.

885 If I calculated surpluses like they did, I would not even have that, because I would have declared the extra £25 million I give to the companies as part of the surplus and the Savings Bank fund. Let’s just look at those: I would be up at £165 million of surplus, if I did the things the way Sir Peter did them, to calculate the surplus. So I would not even be out of surplus then.

890 But what if we did? Of course, my surpluses would be lower – unquestionably. If you take away from 80, 43 for example, the amount that Sir Peter spent in one year, you end up with another 40. Okay, fine.

895 But what was the golden legacy of the GSD? What was it, Mr Speaker? The £200 million in the cash reserve – because of the surpluses, Mr Speaker. That is what we were told was the golden legacy of the GSD. Mr Clinton has just destroyed any credibility they might have in respect of that argument.

900 Does he not realise what he says? I think he does not, because when he attacks he does not realise that he is not just attacking me; he is attacking sometimes Gibraltar. He is affecting Gibraltar, Mr Speaker, and he has not thought through that his arguments would not just attack me and attack Gibraltar, they destroy Sir Peter Caruana’s claim, which they make for him, to have delivered consistent surpluses the last four years of administration and indeed before.

Let us look at how, by applying logic to his argument, he has just driven a coach and horses through the idea that the GSD had surpluses. Let me show him how bad his argument is.

905 2007-08 was an election year. 2007-08 the financial year, we were here in summer 2007 debating the Budget. They declared a budget surplus of £15 million – £15.9 million. But they spent £23.5 million via the companies. Apply Roy Clinton’s logic: bang goes Sir Peter’s surplus for the year. He ends up with a deficit of £8 million. And so, when Sir Peter said that he had a surplus of £15.9 million in the 2007 General Election, that was an election lie, by Clinton’s standards. That meant that that was a Big Lie election, with a big Budget lie by Clinton’s standards – a mirage; an optical illusion that they went to the people with; a deception, Mr Speaker. Except now, by Clintonian logic, it has proven to have been a deception.

910 In 2008-09, the following financial year, with Mr Feetham in government – bang, bang, ‘Aye, aye’, right? – the surplus is allegedly £36.7 million. In that year, they spent £48.2 million via the companies. So by Mr Clinton’s clever argument, another GSD deficit that year of £12 million pounds – a double figure deficit now, if they calculated according to how they want to calculate it. Another GSD mirage, one for which Mr Feetham now bears responsibility, because he voted for it – not the 2007-08; the 2008-09.

And in 2009 - 10 ... Forgive me, Lord, I’m enjoying this too much.

920 In 2009-10, Mr Speaker ... I am sorry that I am inflicting this intellectual humiliation on Roy Clinton, but he deserves it because he does not care, when he comes at someone with a political knife, that he will cut potentially our people with it. So he deserves to have a self-inflicted wound made with his own logic, as his smugness turns to embarrassment in defeat. He deserves the intellectual humiliation.

925 In 2009-10, the GSD declared surplus was £34.8 million. How much did they spend in the companies? £70 million. Mr Speaker, that means that the GSD, by Clintonian economics, Clintonian accounting principles, Clintonian logic, carried that year a deficit of £35 million. It is

930 flawed, it is incorrect, but it is the measure that he applies to us, Mr Speaker. He has no credibility left even with his own people – they must all be thinking, ‘My goodness, Roy! What have you done? Not only have you got us down the dead end of voting against budgets, which is the most unpopular thing we can imagine, you have now undone Sir Peter’s golden legacy! *Shiquillo, quedate callao!*

Mr Speaker, karma is catching the chameleons. Indeed, the worst possible argument, I think, is to create select committees to look into things, because that could really come back to bite them.

935 In 2010-11, the big idea that he has had to bring to this Budget to deconstruct our record surplus is even more dangerous for them. They declare a surplus of £33.4 million. How much do they spend in the companies? £48.7 million. Another incredible £15.3 million deficit.

940 And the following year, which is an election year – 2011, the election year, the year in which in that same debate I was called ‘unfit to govern’, Mr Speaker – that year the surplus was £32.9 million. Motion against Fabian Picardo: unfit to govern. Daniel Feetham sitting next to the Chief Minister: ‘Hear, hear, Aye! Aye!’ Perfect. Sir Peter had said it was his last term: he could see himself sliding over as apprentice into this chair of responsibility. Sir Peter with his feathers completely open as a peacock, declaring £32.9 million of surplus. His company spend: £63.9 million.

945 Okay, calculators at the ready?

The GSD went into an election saying that they had a surplus of £32.9 million. The election year 2011, they told, by Mr Clinton’s standard, the biggest lie that this community has ever been told in a general election. They created a mirage, an optical illusion of surpluses, when actually they were going into the election with a *deficit* of £31 million, by Mr Clinton’s standards. A hidden deficit, a deception on the electorate, persuaded to vote for them on the basis of a surplus, when actually by Mr Clinton’s standards there was a deficit.

950 Well, Mr Speaker, perhaps that is why we only won by 400 votes. And yet four years later, we won by 5,000 votes Mr Speaker, because people were starting to see through them, because by Mr Clinton’s standards this was cheating of the *worst sort*.

955 So I want to thank Mr Clinton for the way that he presented his arguments, Mr Speaker, because by doing so in that way, the effect has been to completely annihilate, demolish, destruct the suggestion that the GSD was somehow better at creating prudent economic management and surpluses. But this is an accusation that is not therefore just levelled against me, Mr Speaker. It is levelled by Roy Clinton against Sir Peter Caruana, and therefore I suppose Sir Peter Caruana is left to sing them that other great Culture Club hit, ‘Do you really want to hurt me? Do you really want to make me cry?’ The first line of that song, Mr Speaker, is: ‘Give me time to realise my crimes.’ (*Laughter*) ‘Do you really want to hurt me? Do you really want to make me cry?’

965 That is what these Boy Georges have just done to Sir Peter Caruana. These political Boy Georges, this political Culture Club that we have Opposite, have just made the most heinous accusation against Sir Peter Caruana – more heinous even than any Sir Joe or I have ever made.

They have said that everything he did was a big lie; that his surpluses were not surpluses at all. In fact, Mr Speaker, it is worth totting - up the numbers I have given the House. Let’s do the sums that I have just given you, Mr Speaker. Calculators at the ready.

970 In the financial year 2007-08 the deficit, in Clintonian economics, is £8 million. In financial year 2008-09, it is £12 million. In financial year 2009-10, it is £35 million. In financial year 2010-11 it is £15.3 million. In financial year 2011-12, the election year, the Big Lie, it is £31 million.

975 Have you done the sums? *Aguantate el pincel, que te voy a quitar la escalera!* The sum, Mr Speaker, is a total accumulated deficit of the GSD in just the last four financial years – 2007-08 to 2011-12 – calculated according to Clintonian principles – of £101 million of deficits. Golden legacy? It smells like the sort of thing that John should be taking a DNA sample from – although we would all know who did it and we all know who to send the fine to. No need for DNA here.

980 Thank you to Mr Clinton for not thinking things through and for giving us the opportunity to do that analysis, because in doing so, and to use his terminology as well, the GSLP-Liberal investigation has uncovered that their surpluses were a mirage, an optical illusion, a fraud on the electorate; that they perpetrated a big lie in the election of 2007; that they were unconstitutional in their use of funds. And you know what, Mr Speaker? It all tallies perfectly to the £100 million hole that we said that we found in the companies. Do you remember that? They said it was not true.

985 But Mr Speaker, has he just proved it? Is he such a sleuth, Mr Speaker, that actually he has found the hole that Mr Feetham said did not exist, that Sir Peter denied ever existed? Has he just peeled back the emperor's clothes, Mr Speaker? If his logic were right, that is what he would have done – because his logic cuts both ways. It does not just cut us. If you are going to calculate or un-calculate our surpluses in one particular way, you can expect that we are going to look at what it does to yours.

990 And this is the problem, Mr Speaker. When he wants to convene select committees, when he wants to vote against the Budget, when he wants to do all that, he does not think things through to the end. He thinks about his move, but he does not think through to the last move, Mr Speaker. In politics, and in protecting Gibraltar in particular, it is our responsibility on this side of the House, and it has always been the GSLP way of doing things, that we think through to the last move, not just to the next move.

995 So where is the financial fantasy now, Mr Speaker? The financial fantasy. Well, Mr Speaker, I assure him I have many fantasies, Mr Speaker, but none of them are financial. I will leave those to him, Mr Speaker, to come and go like the chameleon. But let's face it, Mr Speaker, the only thing that is shot is his credibility. He should have gone to Specsavers, before making his killer point on the Budget. They are also running a two for one deal that he seems so enamoured with.

1000 Mr Speaker, he talks about the £300 million investment, and that we have not disclosed that before the election. What had they disclosed of the roadshow which was going to lead to everybody's electricity bill being put up? Absolutely nothing. And what had they disclosed of the resolution that they were going to bring to the House after the election to raise the borrowing limit because they were about to exceed the borrowing limits? Mr Speaker, why is it that we are judged by one standard and they are judged by another?

1005 I endorse what Mr Bossano says. I agree with Mr Bossano. I give Mr Bossano presents. I try to ingratiate myself to Mr Bossano. Well, Mr Speaker, then why does he not do what Joe Bossano is going to do, which is vote for the Budget? Why does he not do that? If he endorses what Joe Bossano is saying, why doesn't he vote for the Budget? The big difference – the huge difference – the reason why Joe Bossano in opposition has not made these points and has supported the borrowing, Mr Speaker – the big difference is that Joe Bossano does not want to Gibraltar to fail and would never risk Gibraltar failing.

1010 *He* does not care. He only cares about himself. He only wants to see himself swept into power. He is ruthless in the way that he pursues his politics and he does not care about our people, Mr Speaker.

1015 He says I am an unworthy apprentice of Joe Bossano. I agree, Mr Speaker. Nobody in this room as an elected member is a worthy apprentice of Joe Bossano, because he has given 47 years of his life to this Chamber and more even to Gibraltar. He does not need to persuade me that I am worthy to be an apprentice of Joe Bossano. I am *lucky* to have been an apprentice of Joe Bossano. And doesn't he know, Mr Speaker, that the party that praises and eulogises Joe Bossano is the GSLP; and that the GSD is the party that sought to assassinate the character of Joe Bossano?

1020 Then Mr Speaker, what he says is, 'Look, I'm sorry if I upset someone in the way I ask questions.' Nobody upsets anyone asking questions, Mr Speaker. You upset people when you impugn their integrity. Or is it that he has forgotten that in his letter to the Principal Auditor on the issue of community care, he said that there should be a Kids Club-style investigation into

1030 things. 'Kids Club' does not mean the nursery, Mr Speaker. *(Interjection)* No, I will not. *(Interjection)* No, Mr Speaker, I will not. *(Interjection)* No.

1035 A Kids Club investigation, Mr Speaker, is an investigation into trustees who are alleged to have mismanaged funds. Kids Club in the United Kingdom was a trust that was intervened in because of mismanagement of funds. He is not asking questions, Mr Speaker. The minute you say that, what you are doing is impugning integrity, Mr Speaker, whether he likes it or not. That is his style: to create innuendo and to impugn integrity. And then he says, 'I'm just asking questions.' He throws the stone and then he hides his hand, but he is not even good at that. We can see him, Mr Speaker, and we will not let him get away with it.

1040 He said he was pleased to hear that Barclays were ready to renew the loan; but then he was perturbed that I said that we might look at the Savings Bank to underwrite that loan for a period. Why is he always perturbed when we do things with the Savings Bank, which means profit for the Savings Bank, but he is not perturbed when we do it with Barclays? After Barclays left Gibraltar high and dry, Mr Speaker, despite the loyalty of the people of Gibraltar for 100 years, should we be giving Barclays interest in preference to giving interest to the Gibraltar Savings Bank? Well, look, if he understands Joe Bossano, and he praises Joe Bossano, this is one of the things that Joe Bossano thinks make sense.

1045 He asked me whether there was more securitisation of borrowing and I said no, there isn't. I should have given him a straight answer, he said. I did, Mr Speaker.

1050 But none of these things which I am doing, Mr Speaker, in relation to the new mechanism to be able to guarantee 50-50 affordable homes for our people going forward, he said, have I done with the House. I have done it all before coming to the House and the House does not get to find out about it. Did he not hear me say, Mr Speaker – was he too busy with his grubby little pencil, writing his grubby little speech, in which he was going to ruin the GSD legacy – I have to bring a Bill to the House? I need an Act of Parliament in order to do this. So not only is it going to be in the House; it is going to be in the House as a Bill for debate separately.

1055 'What is the price of the option of Victoria Keys?', he said, 'I'd be very interested to know what the price of the option that the developers at Victoria Keys have, because it would be very unfair if they paid nothing for it.' The price of the option, Mr Speaker, is 20% of their company.

1060 Is that not remarkable? He was complaining when I told him what we were going to do the reclamation ourselves. He said, 'Oh, you said you were going to do a reclamation and I was excited. I thought it was going to be people investing. Now you're going to do it yourself.' Then when I tell him it is going to be done by third parties, he said, 'Oh, I'm disappointed, I thought that it was going to be done by you.' I am totally confused as to who he wants to see the reclamation done by, because he has confused himself, I think. It is utterly ridiculous, Mr Speaker.

1065 Then he tells us, Mr Speaker, that of all the jobs we have created, only 98 have been for Gibraltarians – 'isn't that terrible?' But except Laurel or Hardy – I forget which is which – then tells us, 'We created 8,000 jobs when we were in government and you couldn't criticise us for not creating more for Gibraltarians, because there aren't enough and therefore I recognise that if you have only got 33 Gibraltarians unemployed, if you have only created 98 out of 1,000 that is not bad.' He just does not think things through.

1070 Mr Speaker, I really think that after the way that Gilbert Licudi deconstructed his arguments two years ago, the way that Albert Isola deconstructed his arguments on the token amount this year, and what I have demonstrated he has done to the GSD legacy, Mr Speaker, he has no credibility left with anyone.

1075 Anybody who ever sees the slightest hint that they may be fooling themselves into the trap of believing that Mr Clinton is competent should watch Mr Licudi two years ago, Mr Isola last year, and if I may say so, with a little bit of self-deprecating humility, they should watch what I have just done to his argument on the surplus. **(A Member:** They should.) They really should, Mr Speaker, because no possible chance has he got of ever having a business as an expert witness in accountancy in courts, Mr Speaker. Once they see the way that his evidence is

deconstructed here, Mr Speaker, nobody will ever pay him to pretend to be an expert in anything.

1085 But anyway, look, these are political, I suppose you would say, hatchet jobs. But he gets up to try and do a hatchet job. He gets up to do a hatchet job, to hurt you as much as he can, to damage your reputation as a person, to go underneath, to try and hurt you and to shred your humanity, Mr Speaker, not caring about the damage he does to you or to your family. And then when it backfires, he will complain that all we did was try and do a hatchet job, when he cut himself up on his own blades, when the wounds are inflicted by his own warped logic and his failure to think things through. That I suppose is karma. It catches out the ruthless chameleon every time.

1090 And by the way, Mr Speaker, given that they expressed such concerns about the growth of recurrent expenditure – and I recall, recurrent expenditure has gone up an average of 7% in our time in office; in their time in office it went up an average of 17% a year – but every time they say that they are now concerned about 10% less growth in recurrent expenditure, maybe they would like to ask me one day, who is the senior lawyer out there in Gibraltar who wanted to be DPP, but we could not agree the salary because he wanted it to be so high, so high, so high? Who is the senior lawyer who perhaps would not be in politics today, if I had agreed to pay him the amount he wanted, which would have pushed the recurrent expenditure up even higher – unacceptably higher because we could not agree that amount? Who is that senior lawyer in Gibraltar today who wanted such a high salary – more than just six figures; three times more than just six figures, Mr Speaker, in order to be persuaded not to go into politics? He did not much care about recurrent expenditure then, so I expect not to hear much more about the increase in recurrent expenditure, Mr Speaker.

1100 But he can ask me, if he likes, later. I will tell him behind the Speaker's Chair. Perhaps when I do, he might decide that he has to share it with everyone, which is his attitude to information he gets behind the Speaker's Chair.

1105 He says, Mr Speaker, that I am making rich developers richer but does he not realise that this is the first time that developers are being forced to share in the spoils of their projects? The first time that it has ever happened. The fat cats got fatter under them.

1110 He may or may not have banked their money for them; I do not know what he did, Mr Speaker as a banker. With us they have to share. The few have to share with the many. They have to share one fifth of their company, Mr Speaker, because Joe Bossano thought that we should pursue that and we did and we achieved it. With them the fat cats bloated, Mr Speaker. With us they have to share with the rest of the taxpayers. The few have to share with the many under us. With them it is for the few, not the many.

1115 That is why we took back one third of the plot that they gave to developers by direct allocation on the Midtown. That is what we did; not them. We took back one third of the plot. So how can they tell us that we are making developers richer? They did that. We are not.

1120 When he and Mr Hammond say all of these people, all these developers, and they name them and they say that they are related – one of them is related, I think they are very proud to be brothers; I do not think they are embarrassed at all.

1125 Does he know why we had to deal with them? Does he know? I have said it before but I am going to remind him. I think he knows but he tries to pretend he does not, to try to persuade people in some way.

1130 I have to deal with all of them because *they* gave them a direct allocation of land at Coaling Island and we have got that confirmed by somebody who was at the meeting when they happened. *They* made me have to sit down with them. So I have not given to Isola, to Pardo, to to Levy, to Butler. I have not given. I found them there. *They* gave to them, Mr Speaker. *They* gave to developers.

1135 Look, Mr Speaker, developers are trying to do their business, which is development – with the land they gave them by direct allocation. So it is not possible for them, if they are being honest, which they are not, to genuinely say, 'Picardo gave to Pardo, to Levy, to Isola, etc.' It is

not true! I found them in ownership of the plot, Mr Speaker. I have already done how much they paid for the plot under them and how much more we have made them pay.

1135 But Mr Speaker, these are the same people to whom they gave – at least one of them is the same person to whom they gave – and I make no criticism of this person; I am making the criticism of *them* – *they* gave one of these people a contract for 1% of £1 billion for property development. They gave them that – talk about fat cats, Mr Speaker! Although I hope the man is very healthy. Have they worked out how much 1% of £1 billion is, Mr Speaker?

1140 The Government is seeking advice on whether we can publish that agreement and whether or not we should convene a select committee to investigate the circumstances of the grant of that contract in breach of EU procurement rules by the GSD administration at the time – which it was, and which I believe they *knew* it was. But if they look at the prices per square metre that we have achieved, which I did the exercise on, why are they not congratulating us? We have
1145 achieved a great price, Mr Speaker, for the land that we get in Coaling Island and that we sell.

Is Mr Hammond not ashamed of the defamatory nonsense that he has spewed about this? Is Mr Clinton not worried that his reputation ends up worse than in tatters? In fact it is not in tatters; it is papier mâché – *wet* papier mâché. It is not strong enough to put through a shredder, Mr Speaker, once you do an analysis of the things that he has said.

1150 For once, we managed to get the developers to share with the taxpayers and they criticise us. Why is it that they think that the taxpayer should not share in the spoil of the developers? And why is it right for somebody else to lend to the developers, but not us? Why is it right? I suppose he says that as a banker, Mr Speaker. As a banker, he wants the banks to make interest, not us for the taxpayer, because lending money is a business. I would have thought I do not have to
1155 explain that to our banker, Mr Speaker – as long as what he was is a banker, Mr Speaker, not something else with one letter difference.

Mr Speaker, what is wrong with us making money for the taxpayer from a development? What is wrong that was right about supporting the project at the island at Queensway Quay? What was wrong with that, Mr Speaker? That was right – supporting the island was right, and
1160 supporting Taylor Woodrow having to do projects in a particular way, all of that was right. But us forcing developers to share with the taxpayers is wrong. Perhaps we should look in detail as to how permissions were obtained for those projects in that area – the island and how Taylor Woodrow made decisions about its departure from Gibraltar, Mr Speaker. Perhaps we should look, in a select committee, at all of that in great detail, to see whether the public purse has
1165 been damaged.

Perhaps, Mr Speaker, the same senior lawyer might be called to tell us what he thinks about all of that. Perhaps, Mr Speaker. But what is clearly true is that Mr Clinton is not match fit. He is retired. He just goes around having coffee every day, reads the odd sets of accounts, makes a mistake here and there. He is not match fit, Mr Speaker. He is not as sharp as he was, if he ever
1170 was sharp – and it is starting to show because when you deconstruct the arguments, there is nothing left.

Let me just look at some of the things he said about borrowing, Mr Speaker. The process for borrowing is set out under the 2008 Finance (Borrowing Powers) Act and its predecessor in 1988. It has a section which is still the same, which is section 12. It says this:

Every agreement specified in section 11 –

1175 which is a loan entered into by the Government – this is about whether we should bring loans here before or after they are done.

Every agreement specified in section 11 shall be laid on the table of the Parliament at the next meeting of Parliament commencing –

this is the key word, Mr Speaker –

after the date on which the agreement is made.

1180 Why are things done after the agreement is made? It is very obvious to me. The Government is the executive. We have to negotiate those deals and we come to Parliament to report. Barclays or the Savings Bank cannot negotiate with the Parliament. That is why things are done after.

1185 But he says, 'All of these things that you are doing, Chief Minister, they are not just not going through the book; we find out *after* they are done.' Well, Mr Speaker, if it was being done through the book, they would find out *after* they are done as well. Or is it that he does not understand that?

Indeed, he also tells us that we should only announce things once the ink is dry on the paper. But then he wants us to announce them when he wants, before they are even done. I tell you what he wants, Mr Speaker – I tell you what he wants, what he really, really wants. (*Laughter*) This is what he wants, Mr Speaker: *this* is what he wants. And nobody Opposite should think that he wants the portfolio of the Minister for Public Finance. No, Mr Speaker. He demonstrated it when, having said that the Chief Minister and the Minister for Public Finance should have been someone different, he then went for the leadership of the party – just like the other young apprentice. *This* is what he wants. That is the reality underlying everything that he does.

1195 Whenever he tries to sow a deception, he sows it in order to try and weasel his way into this chair, because if it were true that he wanted to understand why we have not yet brought the borrowing, he would not say we should have brought it before it is done – unless he cannot read the word 'after' and understand what it means. Mr Speaker, you cannot negotiate with a bank a refinancing of the historic £100 million or £200 million debt with the whole Parliament or with a webcam on your face, so that the hon. gentlemen can see what is happening on a blow-by-blow basis. Mr Speaker, it is a negotiation with a lending institution. It is not *Love Island*; it is not *Big Brother*. That is why these things come here *after* they are done, Mr Speaker.

1200 If we had to bring things here before they are done, Mr Speaker, do you think we would be comfortable doing so, when the only thing that the Hon. Mr Clinton does is go around the world – not just here; around the world – and say, 'Gibraltar's circumstances in terms of budgetary process and Public Accounts Committee are not fit for purpose. Gibraltar's lending is too high. The economy is on life support. The public finances are not sustainable.'? How can we negotiate the refinancing of our lending with somebody saying that, Mr Speaker?

1205 Look, bankers work out whether the person they are going to lend to – good bankers, at least – can repay the amounts that they are lending. If you have got a guy sitting next to the guy trying to take the loan, saying, 'You haven't got the money to pay for that. You're in deficit; you're not in surplus. You haven't got the money to pay for that. You are not accounting properly. You haven't got the money to pay for that' – how on earth are we ever going to refinance a loan? So it is a good thing that we do things *after*, Mr Speaker, but it has never stopped him trying to undo our ability to properly manage the finances of this community.

1215 He gave me one piece of advice. 'Don't make announcements about things until the ink is dry on the paper', he said to me – advice I said I was willing to take. I would give him a piece of advice: do not jump to conclusions, do not raise innuendos about people's lives, about people's reputations until you have asked the questions and understood them.

1220 We know his instant reaction is to jump to conclusions, always assuming that the worst is true, just like he did the other day, Mr Speaker, with a negative report that he enticed GBC to do on me. A simple question might have allowed him to properly understand in a perhaps more conciliatory way what he wanted to know. He might have been a bit less defamatory in the approach that he had taken – a bit more objective, Mr Speaker, and then what he said the following Friday, which was just, 'No, no, no, I'm just asking questions.' 'I'm just asking questions,' would have been what he said on the Monday, where what he did was to make serious defamatory accusations.

1230 So, Mr Speaker, I am very happy that most bankers are not like him. Look, if he says that we have taken loans, if he says that we have increased the borrowing, well then, Mr Speaker, again by an extension of his own logic, if he is a banker and he respects bankers – and not many people do, Mr Speaker; I do, I just do not respect *him* as a banker – well then, Mr Speaker, the bankers who have lent us the money that he says we have borrowed, which we say we have not borrowed, those bankers, who are from some of the greatest lending institutions in the world, have done an X-ray and an assessment of us and they have decided, having read what he has to say about our ability to repay, that they should lend to us – if what it is *is* lending, by his standards – because we will be able to repay.

1235 So his kin and folk, his banking class, have done the proper, objective, non-partisan, non-political assessment and decided that we are a very good covenant for the money, Mr Speaker.

1240 Mr Speaker, what he said about the £100 million that I sent to the GTA and what it would do to the deficit is of course also absolutely wrong. What it would do to the surplus, making it a deficit, is of course absolutely wrong, Mr Speaker. But as I have already demonstrated that it is wrong because of the exercise I did on what he was saying about Sir Peter, I no longer need to show that there is no alchemy here, because what you have is Clintonian nonsense economics. No one here is turning water into wine – although probably, Mr Llamas would believe that Sir Peter could do it, but I could not do it. And nobody is turning dust into gold. There is no alchemy here, Mr Speaker.

1245 Of course, it is absolutely true. If we had done the schools through the I&DF, then the amounts in the cash reserves would be lower. But look, if that is that something he needed ... I suppose he *discovered* that, Mr Speaker, after an *investigation*.

1250 He should just now move on and tell us what he would do, if he were to take over, when there is a general election, in respect of those projects – make the tough announcements, Mr Speaker, of telling the teachers that they are not only not going to have their pay rises if they get into office, because that will push up recurrent expenditure, but they also will not even have the schools because we are having the argument about whether schools are as important as salaries or not, but he would have to say no to both. He would have to say no to both.

1255 And then he says that our ratio of expenditure to revenue is 97% – 96%, 97%. Well, Mr Speaker, look, does he want to know how many years the GSD exceeded 97% in their recurrent revenue to recurrent income ratios? Does he want to know the year in which the GSD got to a recurrent revenue to recurrent expenditure ratio of 98.8%? Or 97.9%? Does he want to know that, Mr Speaker? Because there are many years in which it happened. Or would he rather know that the average is 96%?

1260 Again, that which is normal, that which is running surpluses – in other words, you spend less than you bring in – he somehow thinks is something that he has to remark upon negatively. What is it, Mr Speaker, that he does not understand or does not want to analyse? Maybe it is because he is retired. He does not want to go through the £676 million of spending that is going through this book. Does he not want to praise, if not us, the people in the Tax Office for the increases which are becoming sustainable in the collections there? Of course we have to be prudent in the way that we estimate. But does he not want to at least take the good?

1265 Frankly, Mr Speaker, I am not going to wait with bated breath for him to congratulate us for having been able to ensure that recurrent expenditure did not rise by 17.8% each year as it did under them, but only 7%. I am not going to expect that he is going to congratulate us for having been able to come so closely with an estimate in every one of the years that we have been doing this. I am not going to expect him to congratulate us for being able to stay below the expenditure estimate in departmental expenditure. But perhaps he should say or realise that neither we nor the controlling officers in all of the Departments of the Civil Service, none of us have a crystal ball. And yet we have done a remarkably good job of getting the estimates right. And perhaps he should think about spending a little bit less time discrediting everyone involved in the budgetary process.

1280 Mr Speaker, when he talks that we are not transparent – now dealing with another point in relation to the companies – he says this: ‘Last Saturday I undertook an online exercise and looked at the filing records of the 37 new companies. Of the 37 companies only 12 have filed any financial information at Companies House. As to financial activities of the other 25, we have no information at all.’ That is what he said.

1285 The way that he does that, Mr Speaker, is designed to inject concern. You can say that in many ways, but the script is written to make people worry and fear. It is designed to create lack of confidence in the public finances, Mr Speaker. Look, of those 37 Government companies, as he calls them, 12 of them are not directly the responsibility of the executive. They are, for example, the University of Gibraltar, the Gibraltar International Savings Bank. All of these have boards which do themselves ... It is not even a Government company any more but he has to count it as a Government company to get to 37.

1290 Of the remaining 25 ... (*Interjection*) Yes, *sotto voce*, the hon. Gentleman has just said it is still incorporated. Well yes, so are the 14,000 other companies on the register, Mr Speaker. Of course it is still incorporated. (*Laughter*) Goodness gracious!

1295 But of the remaining 25 in the analysis that he said he did on a Saturday afternoon, Mr Speaker – what a fun life he has, Mr Speaker! – three are companies that just act as directors and secretaries – in other words, they have no real activity. We have already explained here why we incorporated those companies: so that you did not have directors having to resign and be appointed. You have got three companies which are designed to act as directors and secretaries. No activity. Three are dormant. He does not say this, but eight do not need to file accounts under law because they have just been incorporated and the filing deadline has not passed.

1300 So that leaves 11 of which are with the auditor. So the audited accounts are being finalised and by the end of the year, all things being equal, they will be filed. I wish they had been filed already, Mr Speaker, because I know that he loves reading my companies’ audited accounts more than anything else, and I am delighted for him to be able to have them. I do not want to deprive him of the audited accounts, except we are having to reconstruct all of the accounts, as he knows, because they did not file any of them – a point which will be important in dealing with the issues raised by the hon. Lady.

1310 Then he talks about this issue of the insurance fund that we have incorporated. Talk about looking at something good and saying it is bad! Indeed, what I cannot reconcile is if they say that what Joe Bossano says, that must be followed to the letter – the creation of rainy day funds, etc. – how he can even for one moment pretend that this is not a good thing! So what we were doing there was taking a GSD activity – the GSD activity was paying a premium for insurance – and doing our own analysis, showing that the payments were less than the premiums – a little bit like the concept of a captive which we created for ourselves. We are paying this money into a fund, Mr Speaker, and in that way, we have created what is called a segregated deposit, which in effect becomes a sinking fund, a rainy day fund, all of that, Mr Speaker. £2.5 million has been paid in and £1.3 million has been paid out. Mr Speaker, he did not say that that was very good. He said, ‘This is terrible because you have not ...’

1315 We have *saved* that money, Mr Speaker! Yes we have to create a fund. It is in today’s Gazette and I am very proud to do it (*Banging on desks*) because it shows another rainy day fund, Mr Speaker.

I *knew* he would have a bit of an event, Mr Speaker, sometime during the course of my speech! (*Interjections*) (**A Member:** A nervous tic!) Yes!

1325 So another rainy day fund created by the GSLP, Mr Speaker, which is doing very well – another good decision taken to self-insure in that way. So if he wants, he can tick another box, Mr Speaker, when he gets tomorrow’s Gazette and congratulations are due again to the GSLP for it is rainy day fund policy.

It is clear that his fetish for company accounts is matched only by the perverse conclusions that he reaches when he reads them. It is clear that everyone in Gibraltar – at least everyone who is in the GSLP – is doing the wrong thing, except him and them. Everyone is crooked, except

1330 him and them. Everyone is on the make, except him and them. But maybe this is because he does nothing. He never does anything except cast aspersions unfairly and improperly. The man who does nothing is never going to make a mistake – of course, Mr Speaker.

1335 But what makes you fit to run the affairs of men is not just competence, diligence or financial or other skill, Mr Speaker. I think the key component of leadership is empathy – if you are able to empathise with the work that people do and see their value. If you do not empathise with the people who work with you, Mr Speaker, if you do not empathise with the nature of people's sacrifice and understand what it means, if you cannot empathise with the people against whom you are going to make an illicit accusation, then you cannot ever fairly hold yourself up as somebody who should lead others.

1340 And after last week, Mr Speaker, and the earlier part of this week, it is clear that he fails all of those tests. He fails it against the trustees of community care. He fails it against the Financial Secretary. He does not care if he fails it against me, and I do not care if he fails it against me either, but he fails it against all of those, Mr Speaker. Because for all his pretence of competence and of investigations, he is just really a sad hack who cannot put a jigsaw puzzle together. That is the reality. He gets the pieces the other way round. He reaches the wrong conclusions. He does not care that he is attacking me at a personal level, he does not care about the effect on my family. He has got nothing to lose, Mr Speaker. He has got nothing to lose.

1345 But when the effect of his constant mistakes, of his misjudgments and of his errors starts to affect confidence in public life in Gibraltar, confidence in politicians generally in Gibraltar, confidence in Gibraltar's economy, confidence in Gibraltar's public finances – indeed, confidence in community care – then the damage that his lack of ability, his lack of empathy, his failures, his misjudgments bring is too high a price even for his party, but certainly for this community to have to pay, just because he wants to be involved in politics as a retirement hobby. That is the reality.

1355 In fact he has the consistency of running water. We have mentioned the teachers, but Mr Speaker, I think it is unfair to labour that point. What about the Gibtelecom and AquaGib pensioners? No sooner had he turned up on 1st May, a holiday which I am delighted to confirm every year, as a socialist leader, that he was tweeting away saying, 'Why hasn't Picardo paid the pensioners of Gibtel and AquaGib? What's going on here?'

1360 Mr Speaker, it is a good thing he is not in charge because as I said before, you turn up with a whistle and you have got him reaching for the cheque-book, just when he said there was no money left. It is nonsense; absolute opportunism.

1365 And it is that sort of opportunism, when they say one thing and then they do another. They say we would not make any concessions to Spain – the tax treaty is a concession to Spain. We would *never* on this side of the House, with this man sitting here and this man sitting here and the other woman and men sitting on this side, *never* make a concession to Spain – *never* of any sort in a tax treaty or any other sort. *Never*. Not one grain of sand, not one drop of water, not one breath of our air, Mr Speaker.

1370 But who is saying it? Who is saying it? In Opposition, Mr Clinton, Mr Phillips and Mr Feetham. And what did Mr Feetham say when we created the artificial reef? He came back from holiday to help me to deal with the situation to go on radio to say, 'Well look, I would be prepared to raise the concrete blocks if necessary.' That is what we are dealing with, Mr Speaker.

1375 Not that they do when they were in government? If it was up to them, we would be showing our passports to a Spanish Guardia Civil on flights from Schengen to continue to have the right to walk along the soil of our sacred land. That is what they did when they were in government. *In imperium veritas*, Mr Speaker. *(Laughter)*

1380 But the reality is that Mr Clinton's personal ambition exceeds his ability, his rhetoric exceeds his work ethic, and his eye for detail sometimes loses focus. He sees things where there are none. He reaches conclusions without proper research and all of that, Mr Speaker, even if it has been handed to him on a plate in answers to Questions in the House.

Noel Gallagher, who I very much look forward to seeing at the magnificent Gibraltar concert (**Several Members:** Hear, hear.) at National Week this year, famously described his brother once as a man with a fork in a world of soup, who he thought would find it difficult to overturn a table of drunkards. Well, Mr Speaker, I think the hon. Gentleman is that man with a fork in the world
1385 of soup, who will find it impossible to overturn a government as strong as this one.

I did think it was priceless to see his guilty conscience lead him to a point of order before I had even said good morning, Mr Speaker! I could almost feel the butterflies in his stomach. But I regret to tell him that I now agree with his illustrious predecessor, not about a class, because I am not going to taint a whole class of accountants with the same brush. There are some
1390 magnificent accountants, Mr Speaker. But some accountants – him in particular – is what Sir Peter used to say of accountants: people who know the cost of everything and the value of nothing. Never a truer word uttered when applied to this specimen, Mr Speaker. Perhaps that is why Sir Peter never had him in his line-ups. Perhaps he knew he was a walking liability who would undo the surpluses. There was no chance that this one was going to accept that there was
1395 a surplus if actually there was a deficit. Clintonian economics and the GSD economic miracles could not live side by side together.

He likes to talk about the debt, Mr Speaker. He likes to talk about the loans. But what about – and this is the key point on which I will end with him – the services? This is back to the empathy point, Mr Speaker – the empathy he does not have. He does not have it with me, but he also
1400 does not have it with our people. What about the services? What about the homes? They are all in the book. What about the nurses? What about the policemen? What about caring, Mr Speaker? None of that comes into his speech. None of that. All he cares about is trying to do down our economics, trying to do down our public finances.

But what is he going to do? He has not told us whether he would stop the schools or any of
1405 the rest of it. He has not told us whether he would stop paying the nurses, because to cut recurrent expenditure you can only do it in one way: you cut salaries or you cut people. Full stop. Right? That is what they do not like when they said they were going to cut £50 million from the recurrent expenditure budget. All we asked was *where*? What will they do?

Mr Speaker, the way that he presents his argument, he presents maybe half of it. He tells us
1410 what he does not like, but it does not tell us what he is going to do to stop it – what he is going to do to stop the increases in the recurrent expenditure – because, you see, the whole argument is a mirage. A mirage that is sustained by a Clinton magic money tree.

He is saying, ‘You can’t pay for it, but I’ll pay for it and I will not tell you how.’ Sounds like a
1415 secret economic plan. The secret economic plan is either to cut nurses, cut teachers, cut police officers, cut public servants and cut services or to continue as we are doing.

But that is why he only presents half of the argument, because he knows that the other half
of the argument is completely unpalatable to everyone, including the people in his party who will not let him stand for election if he says that he is going to cut teachers, he is going to cut nurses, he is going to cut salaries. That is the reality. What a joke, Mr Speaker! What a joke!

No plan, no idea, no empathy; just a big accounting idea. And then, moving the goalposts,
1420 because finally, Mr Speaker, this year he decided he was going to try and deconstruct our surplus by reference to the capital spending in the companies. Last year he said he was going to deconstruct our surplus by referring to the fact that the rebates and tax had not been quite caught up. This year, he fails to congratulate us for being the most up-to-date Government in repaying those rebates in the history of our nation. (*Banging on desks*) (**A Member:** Hear, hear.)

Maybe, Mr Speaker, instead of cutting nurses, he might just cut the rebates. What level of
1425 intellectual dishonesty we have had to put up with! And, Mr Speaker, I have kept the House in that detailed riposte because it is absolutely fundamental for the economic health of our nation that people should understand that this was nonsense and not deserving of any credibility.

Having said that, Mr Speaker, it is not as if he was followed by Mr Hammond, by anybody
1430 with any credibility. This is a man who on social media *supports* an individual calling the Chief Minister of Gibraltar a *Führer*! Now, Mr Speaker, there are many things that you can say about

1435 people, but supporting them being compared to the biggest killer of innocent people of the 20th century – short perhaps of Pol Pot – is worse than disgraceful, and once you do that, you do not start the debate with any credibility. None whatsoever.

1440 Then he says, Mr Speaker, having said that, that our solar projects are a scandal, being monopolised for one individual. No, they are not. Mr Speaker, but the same febrile brain that thinks that it is fair to compare the Chief Minister of Gibraltar with a mass killer of innocent people believes that requiring those who are going to install solar panels to pass a test by Gibtelecom that the energy they are going to produce is not going to destabilise the grid is somehow a bad thing to do; that it creates a monopoly for one person. And he launches an innuendo and an allegation.

1445 Mr Speaker, the scandal is in the allegation, not in the underlying proper reality. The scandal is in the febrile mind that thinks that this is the way to do it. But can you see, Mr Speaker, that there is a pattern emerging? They are all doing it. They are all going for innuendo and allegation. It is 1995 all over again – deception, mirage, innuendo, all over again.

1450 Now, Mr Hammond is just another one of those, but just another one of those who does it all from the standpoint of being a defender of *diesel*. He told us that a playing field full of footballers at Lathbury Barracks is more dangerous to the Upper Rock nature reserve than eight diesel engines spewing black smoke! That is the sort of logic that leads you to describe the Chief Minister of your nation in the 21st century as somebody who is a *Führer*. That is the sort of nonsense that we have to put up with and that the people of Gibraltar need to know is what they are representing. These are the people who are asking you to put them in government, Mr Speaker. That is what we are dealing with.

1455 He thinks it is wrong that we continue to subsidise the electricity price. He thinks it is wrong. He thinks we should be getting everyone to pay the full electricity price. Okay, it is a view. But then, do not tell us that we have to support the costs of doing business staying down, because that is going to put the cost of business up. Do not tell us that we are not helping families, as Mr Phillips did, because if we were to uncap the cost of electricity, we would be crippling families, Mr Speaker. That is the reality.

1460 On top of that, you put 5% on it every year for the next 20 years, Mr Speaker – I do not think that they would ever be able to make the argument that they are doing anything other than crippling families. *(Interjection)* Absolutely right, Mr Speaker. Toba Al over here, Mr Speaker – to challenge them to put that in their manifesto ... Put in your manifesto that you are going to increase the price of electricity, *(Interjections and banging on desks)* because if you do not, Mr Speaker, we will put in ours that that is what you said, during the course of this debate, that you were going to do.

1470 How can anybody make the argument that 22 men or women chasing a ball on a field are more dangerous to the environment than eight diesel engines spewing diesel and smoke? Electrostatic precipitators or not. I think the Hon. Mr Feetham, when I told him about the dogs turning black, realised how dangerous this was! *(Laughter)*

1475 Mr Speaker, they said they want more incentives for electric vehicles and that we should put up the tax for other vehicles. Okay, put that in your manifesto too – but say by how much you are going to put up the tax. By how much are you going to put up the tax on all cars which are not electric, Mr Speaker? By how much?

Silence. Yes, of course, Mr Speaker, because when the time comes, they bottle it. They bottle it every single time – in their innuendoes, in their allegations, in their aspersions, in their tax policy, in their everything, Mr Speaker. They bottle it. They bottle it at every single level.

1480 Then he says, bunkering is a major polluter. Well, then, put in your manifesto that you are going to stop the bunkering industry in Gibraltar, Mr Speaker. Put that in your manifesto. Let's see what you are going to be able to do, because you think recurrent expenditure is too high, when we have revenue from those sources – what are you going to do when you get rid of it, Mr Speaker? What plan is this?

1485 The plan is we are going to make less money, we are going to spend less money, but we are going to build more and we are going to pay more. Well, Mr Speaker, that breaches Joe Bossano's golden rules, because you will end up borrowing to pay recurrent expenditure. Do they not get it? Do I have to do these exercises in logic for them? (**A Member:** Yes.)

It is just incredible that they say to the people that they are a competent political party that could take over the reins of Gibraltar. They are not, and they are demonstrating it.

1490 They say that we do not enforce the rules against Gibdock. We enforce the rules against Gibdock more than has ever been enforced before. The reason that negotiations are taking longer is because we are putting all those rules in their lease, Mr Speaker. We want the economic diversification. We want Gibdock to do well, but we want them to do it well in an environmentally friendly way. That is our bottom line. It was not theirs. They gave Gibdock the lease, Mr Speaker. They allowed them to create a reclamation of tailings of what came off the boat – or do they not remember, Mr Speaker?

1495 'We must commit to a better position on the environment.' Well, Mr Speaker, we must commit to a better Opposition. There is the hon. Lady's chance.

1500 **Minister for Commerce (Hon. A J Isola):** Hear, hear.

Hon. Ms M D Hassan Nahon: In government.

Several Members: Ooh! (*Interjections*)

1505

Hon. Chief Minister: Now, now, Mr Speaker!

She is going to make me tell her that her rocket chair is running out of fuel, even before I intended to, but I will come to that. Maybe it is electric.

1510 Mr Speaker, then he says that what we are trying to do is make money for developers. Look, I have already told him it is not true in the answers I have given to everybody else, but did he not hear me telling him in my main speech that what we had done was force the developers to come back to the table? We had to – I am going to say it here, Mr Speaker, explicitly – we had to *threaten* the developers. We had to say to them, 'We will reclaim in front of you, you will have no access to the sea, because the direct allocation you were given was given without riparian rights.' Do you know what those are? No, you do not. Well, look it up.

1515

Without riparian rights, Mr Speaker – and therefore we force you to the table, just like we forced them to the table on Midtown and we said, 'You either give us back one third of this plot, or you are not doing any of it.' We are the ones who forced them back to the table. We fought for the taxpayer, for the little guy, against the developers.

1520

Does he not get it, Mr Speaker? Does he not get it? Well, at least, Mr Speaker, what he did, by throwing his wild aspersions, was that he forced them to bring a bit of precision to their attack – and I thank Mr Feetham for having got up and made the statements he did at the time – and now the only closeness or proximity that we have that they are concerned about with the developers of the Victoria Keys site, is the fact that Albert Isola and Lawrence Isola are brothers. Wow! (*Laughter*) You never told me that! Well, maybe you told Sir Peter at the time of the direct allocation.

1525

Utterly ridiculous! Talk about falling apart at the seams! This is not the wheels falling off, Mr Speaker – as Mr Phillips said about my industrial relations policy. This is falling apart at the seams, Mr Speaker. The guts, the tripe, is coming out of the animal, Mr Speaker – this is really quite remarkable. Really quite remarkable.

1530

Well, he says, 'It is terrible that when we make an inquiry about Victoria Keys, you blame the GSD.' No, we do not blame the GSD! We explained that the GSD are the ones who had given the direct allocation to these developers. That is not blaming them. In fact, I did the analysis: I said they had them on site, they traded it for this site, the price they got was too low, we got a better price. That is not blaming them, Mr Speaker; that is explaining.

1535

Then, when all that was left for me to hear, he had a go at cement. He said, 'Cement is terrible. It creates dust. It is absolutely terrible, cement.' Well, Mr Speaker, cement creates dust. Cement also creates schools, hospitals, homes, primary care centres – all of them are built with cement. Mr Speaker, I am afraid that until we find something else, we are stuck with cement.

1540 And yes, the sewage treatment plant has been stuck, but it has not been stuck for seven years. There has been a lot of progress in seven years. It has been stuck for 21 years, Mr Speaker – 21 years without progress. But does he know why, Mr Speaker? Does he know why we are making sure that if we sign on the dotted line, it is for a good reason? It is because of the salt water in our effluent, Mr Speaker, and we need to be 100% contractually satisfied that we
1545 will be able to deal with the sewage, otherwise rightly he would say to us, 'You have signed a contract that does not work. You should have been a little bit more circumspect and a little bit more diligent.' But when you are circumspect and diligent, they say, 'You have not signed the contract.' *Typical* middle-class hypocrisy – oh, how I hate it, Mr Speaker! Honestly, because it demonstrates that people have nothing to give but criticism – nothing constructive, no hard
1550 work, just criticism, innuendo, allegation and aspersion, Mr Speaker.

Then he says, 'And you allow the Spanish fishermen to fish.' I know that there are some in their executive who are obsessed with this – not as obsessed as we are. We think the law should be enforced equally across the board, with no regard for nationality, not just on fishing; on cycling, on driving, on fraud, on every aspect because that goes to the rule of law. Who made
1555 that point first? Joshua Gabay, in this House, in a magnificent deconstruction of the fishing agreement that the GSD had done, which said black upon white, 'The Spanish fishermen do not have to follow the law in Gibraltar, although Gibraltarian fishermen do.' What did we do? We tore it up. What did they do? They criticised us for it. One of the main planks of their attack against us in the period 2011 to 2015 was Daniel Feetham saying, John Cortes had been
1560 irresponsible for tearing up the fishing agreement. My goodness! My goodness! Anybody who is watching the morality play has worked out what they are.

'You're not enforcing it', he says. But look, Mr Speaker, no handcuffs – I am not a police officer. It is not what I do. I do not enforce laws, Mr Speaker. I *make* laws and I respect that there are others who are constitutionally independent, who I would not call, as Mr Feetham said
1565 he would. Mr Feetham said, 'I would call the Commissioner of Police and I would tell him ...'

Mr Speaker, I give my word to the people of Gibraltar that I take the call of the Commissioner of Police whenever he needs to inform me of anything because he believes it is in the public interest of Gibraltar that I should know; but I give my word to the people of Gibraltar that I have never and I will never pick up the phone to tell a Commissioner of Police what to do – ever.
1570 **(A Member:** Hear, hear.) They can have that confidence with us. *(Banging on desks)* And they have equal confidence with them that they would, because they have said that they would, Mr Speaker.

Do they not think it through? Two for the price of one? We have got *six* for the price of one. Look at the *waste* of money that the people of Gibraltar are investing in an opposition to hold
1575 the Government to account which is unable to understand the logic of the points that they are bringing.

Then he tells us, 'Why aren't you doing the buyback on the buses?' Well, look, haven't we just been told that we spend too much? And he is telling us to spend more on the buses. We are looking for new buses – but does he realise how difficult it is to get Euro 6 buses that fit our
1580 roads that are less environmentally polluting? Or is he telling us just to get new buses and not care to get the choices right?

Mr Speaker, his attempt to have a snide go at my hard-won reputation is not worth responding to. It is not worth responding to.

I have worked in this community since I was 21 years old as a lawyer as hard as I could. I have
1585 worked as a politician as hard as I could. I have worked as Chief Minister as hard as I could, to the detriment sometimes of my family, which is something that anybody who goes into this job has to understand. Look, if you do not want that, do not do it.

1590 But, Mr Speaker, my reputation is what other people outside decide it is. I am confident that they have no reason to think that they have ever unjustly enriched myself, unfairly used my position to try and seek an advantage or in any other way failed the people of Gibraltar in the discharge of my duties as Chief Minister. He is not going to judge me. In fact, Mr Speaker, if he did, I would not care. It is as water off a duck's back, because what matters, Mr Speaker, is that every night when I reconcile myself with my spirit, I know that I have done the right thing by everyone who crosses my path, even in deconstructing them today because it is absolutely right for my people that I should do so.

1595 What more did he say which is worth replying to? 'You are only resurfacing in an election year.' Well, look, we resurface every year. The money is in the book, but because they do not look at the book, they do not see it. (*Interjection*)

1600 This year there is more resurfacing. Yes, more projects are being completed so the developers have to finish the resurfacing. There is an Island Games coming: they are going to be going on the cycles, so we have to resurface. Mr Speaker, it is obvious. Why make an issue out of that? Is it that they want to make bad points? Do they actually realise that we are more competent than them and they want us to win by a country mile? Is that why they are making the points this bad?

1605 When he talks about sustainability and the sort of government that we have and what we are doing, does he not stop for a moment to realise that I have not delivered a Budget that can be described as a Budget full of election goodies? I have not. I am surprised he is not criticising me for it – except I suppose in a way they are, because they are saying to me that we do not do enough, at the same time as they are saying, 'You are not being prudent enough.'

1610 Mr Speaker, I am not giving away. I am not giving away. This is what is known as a balanced Budget. So when he has finished with his innuendos, he might like to go back – one day in his heart of hearts, he might want to go back – and re-read the speech that he gave and ask himself, Mr Speaker, whether he did the right thing in trying to raise the innuendos that he raised.

1615 Mr Speaker, he might also want to take me to one side and say, 'Who was that senior lawyer in our community that you are saying ... '? Given that he wanted to talk about developers and abuse, 'Who was that senior law in our community that you were saying had something to do with the island and the way it was done; had something to do with the way that Taylor Woodrow decided that they would not continue to do some of the work that they were doing in the way that they were doing it?' He might want to ask me about all of that, Mr Speaker, and I might be persuaded to tell him

1620 Where were the probity of tenders and interviews in the time that they were in government? How did relatives of my predecessor get jobs in Gibraltar's London Office, when those jobs were not advertised and were not interviewed for? He does not have to ask me. They are sitting in his executive – he can ask them directly. He might want to ask them about their flares and how they got confiscated as well.

1625 Mr Speaker, what about the land on the existing Coaling Island granted to the party for nothing that had just sold for millions at Ocean Village? How about that? About the conflicts that arise there. Does he like to raise the spectre of innuendos and cast aspersions? Does he want to ask about that, Mr Speaker? Who was the lawyer who wanted a huge amount of money to be DPP – who obviously had no concerns about the recurrent expenditure levels of Gibraltar under the GSLP-Liberals, otherwise he could not have justified asking for that money and leaving a paper trail of it too?

1630 Mr Llamas is leaving us on a jet plane, I hope to a lovely holiday, before he returns to the Civil Service. So unfortunately we know which wing of the GSD won, and I am very sorry that his did not prevail. Slim Shady did not stand up – he never stands up, Mr Speaker. I know him. I know Slim and he never, ever stands up.

I tell him honestly, Mr Speaker, and I tell him because he is quite a collegiate politician, I tell him as a friend across the floor of the House, that I very much look forward, if the people of Gibraltar do me the honour of making me once again their Chief Minister – it is a precious

1640 honour, which I do not take for granted, but if they do do me that precious honour – I look forward to welcoming him back to the Civil Service. He will be very welcome back to the Civil Service. (**A Member:** Hear, hear.) (*Banging on desks*) He has tried to do an honest job in this House. I mean, a bit too much Survey Monkey for my liking, Mr Speaker, (*Laughter*) and I do not think he has hit the target every time, but he has tried to do an honest job in this House and he

1645 deserves our respect for that. He has not approached us with bad milk – which is probably why he does not fit in with the rest of them, Mr Speaker. But he was one of their best speakers in being honest, in just setting out genuinely honestly that he cares and he wanted to contribute in his way. That is why I tell him, really honestly, that I will welcome him back to the Civil Service.

1650 Look, he will allow me the quip that I hope that he thinks about voting *for* the Budget because otherwise he will come back to the Civil Service to receive an emolument which we will have voted for, but not him – which would be a sweet irony. But he should be allowed sweet ironies, Mr Speaker. (*Laughter*)

1655 The Skywalk, Mr Speaker: the rise of the Skywalk is, I think, a very good thing. He more or less indicated that he was happy with the way that we had done some things, although he wished we had done more – fair enough.

On drugs, Mr Speaker, that is in the report that I am putting before the House, with one Department I am still waiting for, so I hope to be able to lay it before the Third Reading. It will be a very full report, the hon. Member will be able to look at it.

1660 On medicinal cannabis, I do think that hon. Members Opposite no longer know what they think on medicinal cannabis, but fair enough, look, it is a developing area. I think the hon. Lady and we have led on that, but I think as we develop that area of policy, I think, he will see that we are being very, very careful indeed in how we are going to try and approach that particular area of diversification.

1665 The best line in the whole 72 hours from Members Opposite – a little less conversation; a little more action. A great line from a great song by Elvis Presley. Mr Llamas was inspired – I think he was inspired by the relief he feels at finally *escaping* the prison that is the GSD. Free from the incarceration in the non-Caruana GSD that he found himself in. It must have been a bit like the jailhouse rock and I think he must have said to himself, ‘It’s now or never.’ So I look forward to him putting on his blue suede shoes and sashaying over to the Government.

1670 (*Laughter*) Getting away from those people there with suspicious minds – we will not be cruel, Mr Speaker, when he comes over to us. Even when he has gone, he will always be on our minds, even if he is off with his hound dog, Mr Speaker. (*Laughter*) So long, farewell, *auf wiedersehen*, good-bye – a job well done, Mr Speaker, even if I have disagreed with him a lot in the time that he has been there.

1675 I do not know whether he realised that the song that he was quoting actually is all about what I would ask of them, Mr Speaker. All about that – a little less conversation. A little bit more action, please. All of this aggravation of the past 48 hours – all of this aggravation ain’t satisfaction. A little more bite and a little less bark; a little less fight a little more spark. Close your mouth and open your heart and then satisfy me, babies. Well, a little bit more of that – a

1680 little bit more of what the hon. Gentleman did and a little bit less of the spite and the anger and all of the innuendoes and vitriol that we got from hon. Members Opposite – a little bit more of that might have got them closer to being the sorts of representatives that the people of Gibraltar would wish to see discharging the functions of government in our nation.

1685 He was very clear that he felt that the relevant revenue sources should be used to recover the cost of generating a particular electricity in this case, etc. I think he has been explicit in that and fair enough. It is a clear view. He was particularly explicit on why he trusts Peter Caruana and he trusts the way that he was doing things, and I consider that to be absolutely fair and absolutely proper. You trust him and you do not trust me – maybe now you trust both of us, or whatever – but you trust him and that is what you believed in and that is why you thought that

1690 you should be in the GSD. That is fair enough.

Obviously now he is sitting with people who think that the next canonisation should be Joe Bossano and for the real GSD – no, not much of it left – for the real GSD, that might stick in the craw. At least with them, we know what we are dealing with ... Anyway ...

1695 He said we should not have clad the estates; we should have built new. Well, Mr Speaker, I am surprised at that. I am surprised at that, because Sir Peter Caruana in his last manifesto had the cladding of the estates. He had the cladding of the estates and building a new estate would cost upwards of £250 million. So if we are told that we do not have money, well, Sir Peter would have put it through the companies and it would have been fine. But we are told to do all of that ... well, there was so much contradiction in the six speeches, Mr Speaker, that it is impossible to reconcile a policy. But I thank him, at least, for the honesty, Mr Speaker.

1700 Cladding buildings has the benefit of giving them an extra lease of life. There are a lot of buildings now clad that will be able to therefore have a good and valid life for a lot longer.

1705 Mr Speaker, also dealing with the development of estates, he needs to be reminded in his further considerations as to what he does in the future. But this party, whether under Sir Joe Bossano, when he was the Chief Minister, or under the terrible Fabian Picardo, now that he is here, has never lost a penny of taxpayers' money in loans to developers. So all of the allegations from all of them, including Mr Hammond, about us enriching developers – you have to add an additional layer, that they *lent* money to a developer. They say, 'How dare you lend for Victoria Keys?' Fully secured, to make a decent percentage – I think it is 5% – and to get the land. But they lent to OEM. They lent £7 million to OEM of taxpayers' money – unsecured. OEM went into liquidation. We lost the £7 million of taxpayers' money.

1710 So, Mr Speaker, all I would ask is that in the way that he does things, which I think is quite fair, he should, once he is out of the political fray, do a reassessment of who does what and who has done it. Look, he might end up saying, 'I prefer Sir Peter's style, but I accept that he made mistakes and I do not like the style of Joe and Fabian, but look, they never lost money.' I think he will be fair in the way that he deals with us, once he has gone.

1715 Mr Speaker, I want to thank Mr Reyes for his contribution as usual. He started in an area where we can all, I think, support, which was the support for our national teams, in their fight for international recognition and he supported us in doing that, continuing the work that they had done and that the GSLP had done before them. I think an area where we can all entirely agree.

1720 He said that they were right about the Victoria Stadium. Well, they were not, and I will explain to him why, Mr Speaker. In their plan, the Victoria Stadium stayed in public ownership, we spent money turning it into the GFA's stadium, because that is the way that they would have done it – in other words, taxpayers' money, which they say we do not have, would have gone into just one sport getting a better facility, and that is the end of it.

1725 We have got a different model. We have sold to the GFA for £16.5 million. They invest their money in upgrading it and we invest that money in the sporting facilities around Gibraltar. So I do not think that we have pursued their idea. I think our idea was better. But look, he puts his position as the one that he thinks was a valid one. He does not insult anyone in doing so. He does the politics that I think would be good politics for us to do, which is simply to say, 'Look, you are saying this; I think this is better. Let's get people to decide which one they think is best.' Politics – politics of ideas. Thank you for doing the politics of ideas.

1730 Thank you for bringing into the House the success of Sebastian Desoisa. He really is somebody who we should recognise the talents of. I am seeing him, I think next week. I am very much looking forward to seeing him. I saw him when he was little. Now I am seeing him when he is bigger and his success continues to grow and grow, just as he does. I think, Mr Speaker, that he deserves the recognition of this House. (*Banging on desks*)

1740 He is wrong, Mr Speaker, to think that we have abandoned our plans for the theatre, although they did not take priority over other areas of expenditure, in particular in these Brexit years. We will soon be, I think, coming out with a proposal in respect of the theatre, which we

are working on at a partisan level before we are able to elevate it to a Government thing, which I hope will be very interesting, that people will look forward to seeing.

1745 Look, I agree, teachers are not given to picketing. Teachers exercise their influence in our society in different ways. I do not think anybody has ever really said that I am not a fan of teachers, even though I may not yet have been able to do a deal with them on salaries. I have said enough, before there was ever any dispute between me and the teachers, for me to have a very good record in that respect and you are right, they are not given to picketing. I did the exercise of distilling those teachers who have gone into public life, himself included, to influence
1750 in a different way. But look, if you rabble-rouse, you can probably get anyone to picket and if you have people who are related to people who are politically your opponents, etc. involved in that, you can do all that. There is nothing wrong with that. This is a modern open democracy. People are entitled and encouraged to do that because when people picket, I welcome them, I remonstrate with them,. I give them my opinions whether they like it or not, and that is
1755 absolutely proper. But that is actually something which I consider a good thing, not a bad thing.

Mr Feetham will forgive me for treating his speech as the speech, really, of the Leader of the Opposition. He is the only person who is clear – though sometimes incoherent in his criticism of the Government. He puts a lot of higgledy-piggledy ... He is a little un-joined-up and he does not think through the consequences of what he is going to say. But I have always been grateful for
1760 that, because it is what allows me to demonstrate that he is wrong – but he does it, Mr Speaker. He does it, Mr Speaker, in a way that was the style of the speech of a leader in waiting. A Leader of the Opposition in waiting, I hope, because I do not think he has the judgment to be Chief Minister. If I did, I would be supporting him, but he does it with the passion also, if not the judgment, of a leader in waiting.

1765 Mr Speaker, passion is what gives us each the fire and the work ethic to be a leader. It is what I think creates a good Minister, what creates a good Chief Minister. And I am sorry that he and I sometimes do not agree on matters relating to judgement, because he certainly has everything else. But he has that *fatal* flaw.

But my goodness, compared to anything else that we saw from the Opposition benches – the
1770 official Opposition benches – he was on fire yesterday, Mr Speaker! He was much better. I know that this is the time of the year that he likes to cry, but he does not need to pretend, Mr Speaker. He does not need to pretend. He really was on fire. I will tell him, Mr Speaker, that he was, as far as I am concerned, a very worthy opponent at the last election. He was perhaps never prepared to work as hard as I was prepared to work, but there he was, always ready to
1775 fight, always ready to go for me, as I was ready to go for him – to do that thing which he was talking about yesterday, which is the adversarial test that our system requires us to subject each other to.

Mr Speaker, he probably had, and has, a higher opinion of his ability than he should in order to safely engineer his passage through politics, which is also for us a very good thing. But
1780 Mr Speaker, I will tell him that I did think that he led the Opposition yesterday and in the past three days – the official Opposition was once again led by him. Titles matter not, when it comes to demonstrating who is really leading the pack. He is the one who always tells us about there being wolves in the GSD, so that is why I tell him he is leading the pack, Mr Speaker.

1785 Although I will tell him that I am not so jealous any more, Mr Speaker, of the six pack – not so jealous any more. Almost there, Mr Speaker!

But let's look at the contradictions that he creates when he says that we are not fully transparent. Let's look at why he does not think through the statements that he makes.

It is all a debt mountain, deferred taxation or public sector cuts and austerity in the future. Well, Mr Speaker, I know that viewers of the culebrón, readers of the morality play, will know
1790 that that is the same speech that he delivered in 2014, and in 2015, and in 2016, and in 2017, and in 2018 and he has delivered it again this year. It is simply not true that the tax treaty is outrageously one-sided. It is simply not true, Mr Speaker – and I will demonstrate why when it

comes to the debate that we will have on that subject. We are not taking a risk with the public finances.

1795 Mr Speaker, why does he say that the people who find it difficult to make ends meet are the ones who suffer the most? Well, they are already earning – if he is talking about people on the minimum wage – one third more under this Government than they were under them. One third of course of those who were earning the full minimum wage. But they had people on *half* the minimum wage – a very, very un-socialist position. It is the same contradiction as when he says
1800 that the *a mi me pertenece* culture is fuelled by election auctions. Well okay, but then how does he deal with his reaction to the claimants against Government – Gibtelecom and AquaGib, teachers etc.? How does he deal with the dismantling of his friend, Mr Gomez’s work at the Central Arrears Unit by the GSD? We believed in that, Mr Speaker, and we brought it back. But the seed of the *a mi me pertenece* culture is not to chase people who do not pay, because that is
1805 what captures ... It is like runner-beans: it goes everywhere, Mr Speaker. And so he is identifying a symptom which they brought to the equation.

He talks about the principles – the Joe Bossano principles. Those are the ones that I have been talking about. But when he was here – (*Banging on desk*) ‘Aye!’ – he was doing the opposite. He was supporting that Joe Bossano should retire. How many times in his political
1810 career has he said, ‘The time has come for Joe Bossano to retire’, only to say to us that he does not want Joe Bossano to retire?

Joe Bossano was giving health warnings. Yes – so was I. Does he only selectively hear ... ? Well, I suppose, look, it is politics so I will not blame him for that. He is extracting the bit he wants to make in his argument. But in doing all the things he has done in this attempt to create
1815 political proximity in his arguments between him and Joe Bossano, does he think that Joe Bossano prefers them to us? Does he think that Joe Bossano believes the GSD should form a government, not the GSLP? Does he think, Mr Speaker, that he is strong enough in the Force to lure Joe Bossano over to the dark side? (*Laughter*) No, Mr Speaker.

1820 **A Member:** The dark side is much more fun!

Hon. Chief Minister: You are not a Jedi yet, Mr Speaker.

We do not have electoral auctions and we are not going to have an electoral auction, Mr Speaker. But you see, when Joe Bossano issues a health warning on the Gibraltar economy,
1825 he wants it to be wrong. They want it to be right. That is the key difference. Joe Bossano says, ‘Look, things could go wrong and we have to be careful’, and he hopes that they do not go wrong. They hope they go wrong so that it sweeps them into power. That is the reality.

Mr Speaker, on his lips, it sits very very uncomfortably to say that we are debating half of the accounts of the Government, when we are debating exactly the same accounts of the
1830 Government that we were debating when he was here. How can he say that this is a systematic re-engineering of the finances of the Government, when he sat here and did this: (*Banging on desk*) ‘Aye!’ – when they were presented in exactly the same way, for the reasons I have demonstrated to him, when I did the double-act analysis of him and the other boy in the Culture Club together, and how they supported Sir Peter? So honestly, I really think that it is impossible
1835 for him to sustain the position.

When he does the analysis of the debt *per capita*, if he wanted to be fair – and I assume that once the cameras stop rolling, he will want to be fair – he will know that in the analysis I did in
1840 2011, I said, ‘Although I do not think this is the right analysis to do of the economy in 1995, this is what Freddie Vasquez did, and I think it is fair to now do it to you, for that reason, although it is the wrong analysis of the economy.’ But look, if he is not interested in acknowledging that – no problem. When we are in our 70s and we are downstairs having coffee, saying that things were much better done in our time than they are then, he can at least say, ‘No, no, I realise that is what you said, but obviously, I wasn’t going to admit it at the time.’ I shall look forward to the coffee.

1845 Mr Speaker, if he said, 'If we had a veritable curtain, they have built the Berlin Wall.' Well, Mr Speaker, we built the Berlin Wall and we put something in it called the Brandenburg Gate, which is the Government website, where we put all of the information so that people can have it, including our presentations, etc. So Mr Speaker, I do not think that there are good grounds for them to say that we are in any way less transparent than they were. But I do recognise that they
1850 just want to say it, in order to go back to the arguments of 1995, which led to the defeat, with all of the innuendoes and all of the allegations, against the then GSLP Government, with all of the people who were then hurt and damaged as a result, let alone defeated.

The difference between, Mr Speaker, our spending on Convent Place and theirs is very simple. They spent on luxuries; we spent on floor space, which adds to the value which the
1855 taxpayer has. It is that simple, really.

They say that in 2011 we failed to tell people that we would change the Savings Bank Act. Mr Speaker, the whole debate in 2011 was Sir Peter saying, 'Look, if you want to get rid of debt, all you need to do is *con un plumazo*, you do it in this way and you move it all in or out of the Savings Bank. It is that simple.'

1860 But look, does he at least recognise that they in the 2011 General Election did not say, 'After the election we have to come to this House with a resolution to increase the borrowing limit'? I think he did not know, Mr Speaker. I think he did know. So on his young apprentice's responsibility, I will not try and put that, because I do not think he knew that or much of anything else, although he likes to pretend that he was very close to St Peter ... Sir Peter.

1865 Anyway, Mr Speaker the issue of the funding for the Government companies I have dealt with, but the one issue I do have to deal with in detail with him is this question of Bermuda. I have to deal with that now.

They are saying that Bermuda changed the borrowing limits and therefore Bermuda got itself into trouble and went bankrupt and that is what we have done here and therefore we have to
1870 be careful. Well, he has not gone that far, he says, but that is the innuendo that he is trying to create in order to create that fear. So let me just deal with this, Mr Speaker, because of course what they were going to do was exceed the borrowing limit. They were not going to change the borrowing limit, at least not initially. They had done that before. What they were going to do after 2011 immediately – they might have changed the borrowing limit again – was bring a
1875 resolution to the House to exceed the borrowing limit. In other words, they were going to go *beyond* the borrowing limit. They were going to do a Bermuda. They were going to go beyond the borrowing limit.

Mr Speaker, let's be very clear what is happening here. I need to demonstrate why he does not understand it, because he dedicated a part of his combative speech yesterday, saying we
1880 had not been honest. I am being remarkably kind, gentle and fair to him, given that he said that we had not been honest, Mr Speaker. But I am going to prefer to just show him how wrong he is, rather than, for some entertainment, go for him in another way.

He says that we went to the election in 2015, when one of the subjects was public debt, and we did not say that we were going to change the way that our Act was set out. He says that we
1885 said nothing in our manifesto about the debt ceiling and then when we were elected we did this. Obviously, when, we did it not privately, we did it here with the cameras rolling etc. And then he says Bermuda did this and all of the rest of it.

So let's look at what happened, Mr Speaker. Didn't his colleague, who he lavished praise on yesterday as well, say this: 'Mr Speaker, the official gross direct debt of the Government of
1890 Gibraltar is £447 million, which is made up of £247 million of debentures held by the Savings Bank with no fixed maturity and £200 million of debt borrowing'? He said it; I think I said it too because it is the position.

This was the gross public debt also, Mr Speaker, in 2015 before the election. It has not changed. You see, we changed the debt ceiling, but we have not in any way changed the debt. In
1895 fact, with the sinking fund, it goes down to £435 million. Bang goes the Bermuda warning! Bang goes the Bermuda warning, Mr Speaker! It is as if the Bermuda Triangle had manifest itself here

because he is saying we are doing this to go up in debt and we are not going up in debt. It is remarkable, Mr Speaker!

1900 So in fact, Mr Clinton then gets the sinking fund wrong and gives us more credit for the sinking fund for the year just ended than we should have, because he has worked it out on the basis of the year to come. But anyway, the Bermuda problem is not coming, Mr Speaker, because you see, although Bermuda may have had those problems and although the Bermuda issue may have arisen with a rising of the debt ceiling in law, we have not raised the debt. That is the reality, Mr Speaker. That is the reality.

1905 So when he raises this issue, what he does, Mr Speaker, is he sets himself up to shoot his colleague across the way. It is almost a bit like seeing that instance when Dick Cheney was going out quail hunting, Mr Speaker, and ended up shooting a Texas police officer because he really does incur in friendly fire.

1910 Debt is where it was, Mr Speaker. We have done the capital projects in the same way as Peter Caruana did them. So frankly I do not think there is absolutely any good reason for the passion that he deployed in suggesting that we had absolutely any problem whatsoever.

1915 He said that we have to be able to open the books of the Government. They are totally open. They just did not bother to open them, Mr Speaker. They are here, they are online – all the information is there in exactly the same way as Sir Peter used to craft it, when he used to bang the table and support it.

1920 And he says you have to be exemplary parents with demanding children – do not just say yes to things. Well, there are no goodies in this Budget, and as he knows, one of the reasons that they say that the wheels are coming off my industrial relations policy is because I do not just say no. They criticise me for both things – for saying no and because they say I am giving away too many things. They need to make up their minds.

1925 With him, I expect it. He used to say that I was the greatest Machiavelli in the world whilst at the same time saying that I was going to be Joe Bossano's puppet. Those contradictions are not new, Mr Speaker. (*Interjections*) But anyway, he has spent... *yo te lo mando despues...* he has spent the past four years saying that Joe Bossano is un-socialist, that he is working on the issue of the agency workers in an inappropriate way, that the Future Jobs Strategy was a disaster, etc. Something happened to him – not to Joe Bossano, not to any of us. Something happened to him. I do not know when it happened, but something has happened to him. Because I am the one who thought and who fought very very hard – I believed and like many others believe that Joe Bossano was worthy of recognition – I fought for his knighthood. You are fighting now for his canonisation. You are trying to make him a saint! You thought he should retire. You were part of the character assassination, by joining the GSD, that this man had overstayed his welcome. 'Voodoo economics', they used to say of him and now he says that the man is as a saint, Mr Speaker.

1935 Look, Joe Bossano has the satisfaction of going into his last two decades, I hope, as an elected politician – because I do not believe he will leave in 10 – knowing that he has persuaded everyone in the House that Brussels is a bad thing, when it was never like that; that the four golden rules on debt should be followed, Mr Speaker. This is really quite a remarkable achievement, but not just that – he has not just persuaded you on issues, on Brussels and on the golden rules on debt; he has persuaded you on socialism. In this place, people now come to outdo themselves as socialists! 'No, you are un-socialist because you have done that' 'No, you had a drink of champagne once, there was a bubble in it – 'It was Perrier.' – 'No it was champagne. You're not a socialist!' A remarkable achievement, Mr Speaker – a remarkable achievement.

1945 And perhaps it is because Mr Feetham did exactly what he told Joe Bossano he would do when he came back from the United Kingdom. '*Me voy a cargar al GSD*' – I am going to destroy the GSD! (*Laughter*) *iChapeau*, Mr Speaker! I was wrong – he is the most Machiavellian guy in town! My goodness!

1950 Anyway, people are now paid the full minimum wage. They do not have to suffer the ignominy of being paid the un-socialist half minimum wage by him. The only difference he says, Mr Speaker, is people used to go to the ETB asking for a job and they were sent to recruitment agencies. Well, Mr Speaker, perhaps the only difference is that they went to the ETB instead of his office, because in 2011 people were asked to turn up to his office for a pre-election job. If they had caught another hundred, Mr Speaker, we might have had it.

1955 But at least he had the human dignity to congratulate us in respect of the lowering of unemployment. We all agree that whilst there is one person unemployed, that is one person too many, but we are all happier – at least he and we are happier – that the number is down to 33 from the higher numbers and we will see what the quarterly average is, which is the figure that matters, Mr Speaker.

1960 He defended the record of the GSD in creating 8,000 new jobs in 16 years. I suppose by doing so he would think that we have double – two for the price of one – the good record because we have created 8,000 jobs in eight years. So good, I suppose, and he might one day bring himself to say that we did a little better.

1965 So there is no question of us nonetheless having gone down to a mad scramble to produce revenue from Government coffers by selling land to developers, by the way – absolutely none of that. But I will tell him that the other saint that he likes to create – the greatest Gibraltarian of all time, according to him – this is a direct quote from Sir Peter in 2006, who said:

The transformation of Gibraltar since 1996, has been possible in great measure because of the current Government's economic success, but also because of the Government's (sometimes criticised) policy of selling development land and rights to private developers, so that the proceeds can be invested for the benefit of the whole community.

That is the Government he sat with. That is what they did. So I do not suppose he is criticising that. But then again, he might be.

1970 Although in 2008, with him here – (*Banging on desk*) 'Aye!' – he said this, Mr Speaker. He went through all of those issues and he said: 'Government are now moving quickly on several fronts to rectify this policy failure' – which was not enough building of affordable homes.

However this justifiable criticism should not be abused by some and misunderstood by others to justify criticism of the huge amount of private investment that there is in real estate projects in Gibraltar. Apart from reflecting huge international investor confidence in and support for Gibraltar, it represents massive present and future economic benefits for Gibraltar, a very significant increase in Government revenues, in jobs and in investment in our commercial, urban and utility infrastructure. The economic benefit to Gibraltar of projects like the Eastside, the Midtown project and the Mid Harbours project is truly huge and will guarantee this community's economic and social prosperity and therefore its political prosperity for a long time to come. International investment is vital to our economy, to people's employment, to people's businesses, to Government revenue and thus to public servants and users of the public services. In short to each and every person in Gibraltar now and in the future.

Sir Peter Caruana, with Daniel Feetham sitting next to him saying, 'Aye, aye! Hear, hear!' Are they all listening? All the ones who said it was terrible to give stuff to developers, not just him, Mr Hammond and all the rest of them, because Sir Peter went on:

It is therefore unforgivable to trivialise this investment by pitting it in people's minds against the environmental, social or housing needs of the current local residents. The Government will ensure at all times that these investments deliver the economic benefit to Gibraltar whilst also ensuring that local needs and interests are protected.

1975 And what did he say then? 'Hear, hear!' (*Laughter*) Remarkable Mr Speaker! Remarkable!

Look, Mr Speaker, he is a hero worshipper who has to deal with the things that Mr Caruana said – that Sir Peter said. Look, he said them: you hero worship him; you have to support them.

1980 I think that the things Joe Bossano said were the right things and I have always supported them and I have criticised some of the things that Peter Caruana has said. But sometimes when criticisms are levelled at us for doing the things that we did not criticise them for – because he

1985 was actually, if you go on, talking about people outside the House who were saying that, not us – then they have to recognise that they are now criticising us for the things that *they did*. That is the reality. That is why we are different to them. We are consistent in Opposition and in Government. Even when I do the calculation of the debt *per capita*, I say this is wrong but you did it, so I want to do it, so people understand that by your measure, this is what is happening.

And yet they are taking different positions. They took one position, Mr Speaker, and then they took another – and *then*, Mr Speaker, he said, ‘You have been too lenient on senior members of the Financial Services Commission in the past.’ Darth Vader was back in the room, Mr Speaker. The fear factor returned, Mr Speaker.

1990 I thought he did not need to do that and it was unnecessary, especially given the comments he made later.

But Mr Speaker, it is very clear to me that he does not understand what Joe Bossano is saying if he thinks that Joe Bossano agrees with him. He should have worked out that Joe Bossano was not here for a reason, Mr Speaker. He could not bear to waste time to hear *any* of them! He does not think it is a worthwhile use of his time. It is better spent trying to drum up business and work for Gibraltar than to come here to listen to them now say that they agree with him, when they went to an election to say that he should be kicked out. (*Interjection*)

2000 Anyway, he said that popularity can be lost easily. I fully agree. I approach the next election, as I do every day, knowing that I have to earn every day the trust of everybody who has elected me and those who did not elect me – because I work for absolutely all of them. So popularity can be lost easily. We will see who has lost popularity and who has gained popularity, Mr Speaker, and we will see who forms the next government. We should not even have bets on that. I would like us to form the next government. I want to persuade everyone that we are the best option for Gibraltar. If anybody bothers to read the morality play, if they bother to watch what I have done in the past few hours, they will know that we have told them the truth from 2005 1995 through to now, and that that analysis bears out that we should be trusted again in the future – if economics is what is going to make an individual’s mind up; they might make up their minds on something else. But I approach this from a position of full and utter humility. An election for me is a job interview. We each have to persuade, and who will be the best is a matter that is still to be determined.

2010 We do not want Gibraltar to fail, he said, Mr Speaker. Well, sometimes the things that they do are designed to *make* Gibraltar fail. So when they say the things that they say about our public finances, about our debt, etc., about the structural things that matter, what they are doing is setting us up to fail. They need to think that through, they need to think beyond just the first move and maybe even beyond the next move. They need to think all the way through to the last move on the chessboard. A little bit like I tried to persuade him to do in 2001 and he would not do it.

2020 Mr Speaker, he then revealed the great secret, that he was prepared to work with us in the government of national unity. I do not think it was secret; I think he said so before. I think he has said so before. I think he has said it across the floor of the House. Well, Mr Speaker, we were not prepared to consider whether or not we needed to have a government of national unity. We did not need one. We have brought Gibraltar to where it is today and I think we have demonstrated that we have done a very good job in doing so.

2025 Mr Speaker, the hon. Lady spoke last. I congratulate her on speaking last, because I know even that was a subject of huge controversy in the past week. So I genuinely congratulate her, at least even on that.

2030 She said that there was a general mismanagement of everyday affairs. I suppose an Opposition Member needs to say things like that, even if they are not true. There may be issues which need to be better addressed. I think all Ministers have recognised that in their statements. But there is not a mismanagement of affairs.

The amount of money going to companies is £25 million a year and going up further. Yes, I said so, and I explained, Mr Speaker, in my statement that we were the first ones to introduce

2035 this for the reasons that I set out, because we found that the GSD had created companies that incur recurrent expenditure but they were not funding them. So when we were elected in 2011, we added this £25 million line so that the companies do receive, structurally now, year on year at least that £25 million. We are upping that because it is now eight years on and we are putting it to £30 million.

2040 Mr Speaker, additionally, the debate about Government companies and the numbers that have been incorporated, I have to say to her, is the debate that I have been having with Mr Clinton almost since 2011 and it is absolutely true that the Government companies, some of them, have not filed accounts for the reasons that I told her.

2045 But let me just give her this additional twist, which she will enjoy. They are the ones – the GSD in government are the ones – who changed the law to require all companies, including Government companies, to file accounts. They did not do it because they wanted to; there is a European directive that requires it to be done and there is no exception for Government companies. They are the ones who said that they were going to make sure that accounts continue to be filed – the GSLP in Government without that legal requirement had filed all of the accounts of the Government companies. The GSD get elected, legislate to require everybody else to do it and then do not file another Government company account since 1996. Remarkable! That is why it is taking us so long to file them, because some of the companies are the head of these groups and you need to reconstruct 16 years of accounts in order to be able to then file the accounts – but I have been saying that to Mr Clinton now for some time. A lot of these accounts are now already public and filed at Companies House. Mr Speaker, as I have said, I hoped it would have happened by this debate. It will happen before the end of the calendar year. All of the accounts of all the companies will be filed.

2055 Mr Speaker, the mortgage over Gibraltar Investment Holdings Ltd relates, which she referred me to, refers to the borrowing of ES Ltd. Although it is termed to be in an unlimited amount, the terms of the borrowing mean that the enforcement can only be against the assets of ES Ltd – but ES Ltd is owned by the top company in the group. So she has the confidence that the debenture, the mortgage, is over the assets of ES Ltd. There is a drawdown, which I told the House can go up to £58 million. I told the House that this was for the distribution system that we had added to the works of the power station. It is repayable over 10 years post-construction. The facility is at a margin of 2.98% over LIBOR, so that she sees that we do also have a repayment plan, Mr Speaker, and this is all with Lombard in the UK. If she looks a little further and she searches ES Ltd, she will see that the same thing exists over ES Ltd. This is just a question of being able to have it over ES Ltd and its parent, but the recourse is only to the assets of ES Ltd.

2070 The hon. Lady's party talking to us about the old town and the need to refurbish the old town and investment in old properties as a landlord: Mr Speaker, it is also true that she has people in her executive who are landlords who own property in the old town, who are not carrying out refurbishments. I think she needs to look a little bit closer to home to get them to have the same encouragement to do that which she is encouraging us to do.

2075 Similarly, issues relating to the environment: I know that she has people in her executive, Mr Speaker, who urge environmental awareness on us and all the rest of it; but then they build on gardens and green areas and require 12 times the power that every flat in Gibraltar requires. Look, let's try and get the balance of criticism versus actual action right, Mr Speaker.

2080 I think she is wrong about the Catalan Bay tender. She is falling into the Clintonian trap of saying that she *discovers* things that people say. So when somebody does something openly and honestly and says, 'Look, I am thinking of putting together a consortium to produce affordable housing for people in this area. If I did and if I approach the Government, would you be prepared to be one of the purchasers?', she is starting to see that negatively, when actually it is very transparent, it is very open and then it leads to a tender, rather than anything else, which then has not been awarded. So I think all of her conclusions were, I think, unfair.

She has been alone in this House, Mr Speaker, for three-and-a-half-odd years. She was only joined by the warmth of Mr Llamas for ... I do not know if it was a few months or a few days, I

2085 really forget – the lifetime of this Parliament is such a hurly-burly that I forget for how long she
was accompanied by him – but she deserves respect for seeing through much of the nonsense
that the people sitting alongside her have brought to the equation. She has listened to both
sides, she has made up her own mind, she has voted with them and she has voted with us, and
she deserves respect for doing that for the lion’s share of the lifetime of this Parliament. Of
2090 course, every time she voted with them, she was wrong, Mr Speaker, and every time she voted
with us she was right.

She is not right to say that there can be somebody on £145 of pension a month in Gibraltar. If
that person is somebody who she has come across, she needs to refer them to us because the
measure that we put in place means that people get, if they are living on their own, one third of
2095 the minimum wage; if they are living as a couple, at least the minimum wage. That is in the
region of £11,000 or £12,000 if it is a couple or in the region of £7,000 or £8,000. So I think that
we need to work together to try to identify if there is such a person.

For that reason, she is also wrong about my commitment to the private sector pensioners.
There are two aspects to this: going forward the Private Pensions Bill, which is before the House;
2100 going backwards, those who have worked but did not have a final salary pension and who did
not have a contributory pension or had a very low one – they now have an uplift of the
minimum wage, so that which is £12,800-odd a year or so, they all now have as a minimum
guarantee in the mechanism that we have announced previously. So I think that is a huge step
forward for the most needy.

2105 Now look, what Government cannot do is provide a huge amount. I mean, some of these
people I have heard want £26,000 a year, is the number that I have heard bandied about, just
given out of the Government’s largesse because they did not make provision for themselves.
Some of them very unfairly would not have been allowed to make provision for themselves by
their employer. They might have been in low paid jobs. Some others, Mr Speaker, who were in
2110 higher paid jobs did not take up the option of having private pension plans with their employers
and now want the Government to Rolls-Royce up the amount.

So there are people with real merit in this class and there are people with less merit. The
Government cannot give Rolls-Royce sums. The Government gives sums which are
representative of where the level should be in the economy. Some of the stuff that she is saying
2115 is reminiscent to the Action on Poverty group. We cannot be suggesting that the line on poverty
should be drawn above where the minimum wage is, because the minimum wage might be
earned by somebody who is a young person married to another with children and they have got
the minimum wage at home, and we say that is below the poverty level for a pensioner who has
not got his children living at home, etc. and the costs are lower. So we have got issues there that
2120 we need to disentangle to get from wanting more to actually needing more.

Where the Government can interfere, where the Government has an obligation to interfere –
especially if we are a socialist government, as we very much are – it is where people *need* more,
not where people want more. I hope I have made that point in a way that does not in any way
offend anybody’s sensitivities, because I do not intend to, but this is also a hard issue of
2125 Government finance that has to be considered.

She says housing is the biggest issue. Well, Mr Speaker, I think it always has been; in a place
the size of Gibraltar, it always will be – apart from 1996 when Pepito Baldachino resolved the
housing list issue, we hope and aspire to be able to do so again, but it is a very difficult issue,
especially where people now try to get themselves on the list for affordable housing, not to live
2130 but to buy in order to be able to sell for much more later. So as I was saying before, you have got
single couples who both put themselves on the list, they buy two apartments, they then live in
one, keep one empty just to sell it for profit. That is not fair, Mr Speaker. It is something we
should all deprecate, but that is why the 1RKB list is so high.

We have not lost 500 jobs in the online gaming industry, Mr Speaker. Bet365 has given notice
2135 that it is moving some of its operations. That does not mean that everyone will go. I know that

she will join us in hoping that as many of those jobs stay in Gibraltar as possible, but we have not lost the jobs.

2140 She says we are not doing enough for tourism, but yet we are the only Government to have opened two new attractions and the first new hotel in 20 years, the Sunborn, then the second new hotel in 20 years, the Holiday Inn, and with two more in construction, the Indigo and the Leicester Hotels.

2145 She then went through – I think very generously in the way that she did it, because of the very kind way that she spoke about Samantha Sacramento and Neil Costa – some of the issues that she was experiencing in health and in housing in detail. What I will do because she was quite detailed and quite constructive in the way that she approached it, if she does not mind I will send her the answers I have been given to read to her. I think there is no point my standing here and reading it to her. She wants those answers, she asked those questions, so I will let her have them so that she can pursue those issues further with the relevant Ministers as she has been doing to date.

2150 She said some things which we cannot leave unanswered. We heard her talk about her vision for people with dementia, which is identical to the vision that we have and the work that we are doing with GADS and supporting GADS. We are the ones who have opened these facilities. So I think it is fair for us to call her out on that and say, look, that which you are saying is your commitment is that which we say is our action delivered and already improving.

2155 She made an allegation of a senior official being enriched. I think she needs to think again whether she wants to stand by that allegation. I do not think it is fair to have made that allegation.

2160 Her reference to a person begging to be allowed into Bruce's Farm is one on which she and I are going to disagree. I think it is abusive to use somebody ... Not she, but somebody else was trying to use them by creating that video and then threatening me personally by private message with sending it out to go viral unless I acted in a particular way. I think it is unfair to use vulnerable people in that way. I am not saying she did that. I am saying somebody else did that. But she needs to be careful not to fall into the trap of that happening.

2165 Mr Speaker, we are not being opportunistic on St Martin's. We have worked with the people at St Martin's to do the best possible plans. There have been many iterations of those plans. The best iteration required certain things to happen before we could start the works and we are going to produce the best possible St Martin's that this community can afford.

2170 But she is chasing us on when Governor's Meadow at Rooke? Well, look, Mr Speaker, I will only tell her this once: she stood on a manifesto that did not have any of this. She stood on a manifesto that there was not going to be a St Martin's. She has then developed her thinking, very well if I may say so, but she stood on a manifesto where these things were not a priority. We have not abandoned the Governor's Meadow at Rooke. That was never our plan. That was the plan that they had in ... I said 'manifesto'; I shouldn't have said that – in their *pamphlet*, Mr Speaker. So we have not changed that.

2175 She says, 'Look, the idea of two schools next to each other is not a good thing. You shouldn't have done that.' Well actually, Mr Speaker, it was their plan. It was their plan that the manifesto/pamphlet on which she stood contained the mega-school, so on that I am afraid I have to call her out. The Department of Education is a policy-driven Department. It is not driven by absolutely anything else, Mr Speaker.

2180 So as I... as I told her, Mr Speaker, I will provide her with those answers in slower order so that she can pursue them in relation to the other Ministers that she had questioned. I really do *not* agree that we are damaging Gibraltar beyond measure. I think we are *improving* Gibraltar beyond measure.

2185 Mr Speaker, the one thing that she did which others did not do was to pick up my invitation to reflect on where we are 50 years on. Mr Speaker, I thought it was helpful that somebody realised that the great importance of this debate in its historical context is to look at where we were 50 years ago. She is intimately related to somebody who was here 50 years ago, also

2190 arguing with each other, also trying to make the best, also pursuing the adversarial way of doing politics 50 years ago, as Mr Feetham was reminding us we have to do today – perhaps in a slightly different style. Perhaps we all try and remember the past as if it were better than the present, but that is what they were doing.

That year they had a deficit of £352,000. This year we are going to end the debate with a surplus – not a mirage; a surplus – of £85 million. It is worth doing the exercise that the hon. Lady accompanied me on of going back 50 years to see the progress of this community.

2195 Mr Speaker, in winding up for the Government, I would really want to go back to something that a now absent member of the GSD from this House said some years ago. He said, ‘The GSD has left a golden legacy.’ All that glitters is not gold, Mr Speaker, because if we apply the Clintonian argument to that golden legacy in the same way as it has been applied to us, there was no legacy to speak of. There was a £100 million accumulated deficit.

2200 It is not that it is not glittering, Mr Speaker; it is that it is not gold – not even red, gold and green like in *Karma Chameleon*, Mr Speaker. What these estimates pretend to be is not gold. These estimates pretend to be a proper reflection of the grit and graft of the past year of everyone in our economy – of everyone in our economy; we are not saying it is us. They used to say, ‘Look at what we have done.’ We are saying, look at what we have *all* produced – the person who is working in retail, the person who is working in an office, the person who is working in the public sector. Look at all of us. Look at what we have done *together*. In particular, I say it in the context of the last 50 years – not gold, but grit and graft. The reality of a community grafting hard to make ends meet.

2205 That is why, Mr Speaker, we are not pretending, as they used to accuse us of, of having gone from debt to the land of milk and honey when we took over. Remember that criticism, that old chestnut, Mr Speaker? That is not what we are talking about here. This is the work of everyone in our economy.

2215 This is working for our money, not milk and honey, and for us as Ministers of the Crown, Mr Speaker, it represents a great honour to be able to present these estimates to the House, after the last four years of work – the last eight years of work, the last eight years of achievement. And to have done that, Mr Speaker, to hear a collection of vacuous arguments identical to other years, I suppose is to be expected. To hear a twisted perversion of the reality of the economic wellbeing of our nation, inspired by a Victorian novel referred to us four years ago about Micawber and how he always needed to ensure that he collected more than he spent, as if we had not worked that out – to hear that morass of contradictions which I have pointed out, threaded together by the irresponsibility and political ambition unleashed by some on the Opposite benches is really soul destroying for us, because we would rather have a different debate. We would rather have a debate where we argue about the issues, so that we are improved all of us together by that debate. But what they are trying to do, Mr Speaker, in trying to destroy confidence in public life and confidence in politics, is not going to be good even for them if they were to achieve it.

2225 They say that we are not transparent. I have done, in the time since I have been Chief Minister, 30 *Direct Democracies*. Here I have got the protection of the Rules of the House. On television, I have got no protection whatsoever, and I put myself out there – even last week. I put myself out there at any moment and I say, ‘Ask me any question you like and I will try and give you an answer.’ If it is not an area of my responsibility, I will try and find out. But it is also my area to have responsibility for most of what is going on and to know what Ministers are doing. We are a collegiate government, we sit together every Monday. We know what we are each doing. I am able to give the answers. *Thirty* of those programmes – that, Mr Speaker, demonstrates our commitment to transparency.

2230 I have never hidden away and there is no need for me to hide away, because despite some of the ridiculous innuendoes that we have heard from hon. Members opposite, we always conduct ourselves in keeping with the highest standards of public life – every single one of us on this side

of the House; not just because the public expect it of us, but because we expect it of each other.
2240 Because each of us expects it from ourselves, Mr Speaker.

I have heard it said, during the course of the debates over the last four years, that we
2245 campaigned in poetry and we govern in prose. I really do not think that is right. When people go
back to look at the debates between 1991-95 in particular and now, I think they will find that at
least in these debates we have been poetic in the way that we have represented the economic
performance of our people and poetic in the way that we have always defended the truth, as an
analysis of the last 30 years of this debate will show, going back to the days that Joe Bossano
was being accused of creating optical illusions.

But that happens, if you have 10 Ministers working hard, none of them sitting at Timeout,
skiving as they had one particular Minister in the time that they were in government, then you
2250 get the results, Mr Speaker. Today, Mr Speaker, we are united. They are *totally* divided. When
people come to choose who should lead our nation in the future, do they say, 'Shall we choose a
united army or should we choose a divided army?'

I am told that Roy hates Keith, that Keith hates Danny, that Danny hates Lawrence, that
2255 Lawrence hates Danny, that Danny also hates Damon, that Damon does not know who he hates,
that Edwin is not liked inside but quite likes everybody, and that Lawrence has now come to the
conclusion that he hates them all and he is going, Mr Speaker. Well, hate is a strong word and it
should not be relevant to any of us, but they are desperately divided.

And divided as they are and with the economic performance that we have before the nation,
2260 it is clear that they can really beat us with lies. They can only beat us with lies, but it is more
complex even than that because they are also recanting all of the articles of faith that they had
sworn between 1995 and five years ago. Because they are doing aside with Caruana economics,
they are coming to Bossano economics, and the GSLP economic rules from 1995 are now the
bible.

And yet even so, the only way to beat us is to lie. They are going to go out and tell the same
2265 lies they told in 1995. In 1996 they beat us with those lies. They beat Mr Feetham – the other
Mr Feetham, and he decided to follow that old maxim, Mr Speaker: 'If you can't beat them, join
them.'

We decided to stand and fight. We decided that we could beat them with the truth and we
2270 would and in the early hours of Friday, 9th December 2011, beat them we did, Mr Speaker –
with the truth.

This has been a really horrible four years, Mr Speaker. We have had the *horrendous* issue of
Brexit. We have lost Juan Carlos, we have lost Angeles, we have lost good people, but we have
not lost our convictions. We have not lost our convictions.

They beat us with lies once, but we will never, *never* let them beat us with lies again. We will
2275 never allow that to happen. They can beat us with ideas, but we will never let them beat us with
lies again.

We will point out every single deception. We will point out every lie they tell about debt. We
will point out every lie that they told about illusions and that they are telling now about mirages,
2280 which are just recycled and unoriginal. They have, Mr Speaker, once again demonstrated that
they have all of the *mala leche* and none of the brains of the GSD of 1995. This community was
duped once and we will not allow it to be duped again. Then it was Freddie, Keith and Peter.
Now, it is Roy, Keith and Danny.

Mr Speaker, in the end, with the analysis I have done, I have demonstrated that they are just
2285 men without convictions, who cannot sell their contradictions. And I hope that people, when
they do the analysis, will allow them to come and go, to come and go, but they will never put
their trust in them.

Not us, Mr Speaker – we are constant. We are constant in our political and financial
principles, we are constant in the defence of our people, we are constant in the defence of every
single aspect of our sovereignty and our identity as a people. That is why we govern in lyrical
2290 poetry, Mr Speaker. They are the talkers and we are the doers. We do things. We leave a legacy

of schools and parks and health centres. We leave these for people to enjoy, to benefit with and to grow Gibraltar families in them, and we leave them to talk about how it has been done.

2295 We leave them to say, 'It is done properly when they are here and done improperly when we are here.' All they are, at the end of the day and all they have demonstrated in the past 72 hours is that they are just our critics. But they are not our rivals because they have no plan to rival us. Mr Speaker. They have not got a philosophy, they have not got an ideology, they have not got a clue.

2300 They quote Joe Bossano at Joe Bossano, and we have to quote Peter Caruana back at them, Mr Speaker. Then they say that we are wrong about the Savings Bank, we are wrong about the Future Jobs Strategy, we are wrong about agency workers, we are wrong about commutations, we are wrong about credit finance and we are wrong about community care – and then they say that Joe Bossano is right about everything, when he has done all of those things, Mr Speaker.

2305 People see through this. There are too many episodes of this saga now and people see through this, Mr Speaker. I do not think they can persuade anyone that Joe Bossano wants a GSD government, Mr Speaker, but if they have such a high regard for Joe Bossano, they should emulate what he does when the vote is called and they should emulate his remarks when it comes to vote.

2310 They cannot reconcile what they say on Monday, from what they say on Tuesday, from what the other one will say on Wednesday. Some of them said things in the morning which were different from some of the things that others said in the afternoon. That is the reality and that is why they are our critics, but they are not our rivals, Mr Speaker.

It has been a *precious* honour, Mr Speaker, to deliver eight successive Budget addresses to this House, as Chief Minister and Leader of the House – all of them with surpluses, unless none of them for the past 30 years have been with surpluses.

2315 It has been a precious honour, Mr Speaker, to be a legislator for this community for the past 16 years, representing our people in various roles in this place and I face the electorate, Mr Speaker, with the humility of having done as best as I could, as I was humanly possible, in the last eight years.

2320 Mr Speaker, in winding up the debate, this nation deserves to congratulate itself, not to talk itself down as they are suggesting. Of course we have to be careful. Of course we must heed Sir Joe's warning. Sir Joe is here giving the warning on our behalf and to them too, Mr Speaker. We are giving this warning as a Government. That is why this is a Budget designed to be sustainable: a careful Budget designed with the long term in mind, taking seriously our responsibility to deliver a long-term, sustainable Gibraltar, for all of us to have the economic strength. That is why this is not a Budget with election goodies. This is no Budget of giveaways, 2325 but a Budget of opportunities, making sure every capital project is properly funded, making sure the rainy day funds are properly maintained, making sure we protect the Gibraltar that made us strong so it can make our children strong too, because we must think of the *next* generation, not of the next general election in a debate like this, Mr Speaker.

2330 Every morality play ends the same way. In the end, the truth will out. That is why we will win the next general election, because the people of Gibraltar are no fools. Because we will fight it with the truth as our sharpest weapon, because we have told our people the truth at every turn, even in these politically challenging times. That is why we have earned the respect and support of our community, with hard work, with dedication and principally with humility.

2335 We have batted it out of the park in economic performance, Mr Speaker. We have batted it out of the park in creating employment. We have batted it out of the park in new services for our people. We have earned four more years, Mr Speaker, with dedication, with commitment, with hard work and because, Mr Speaker, the best is yet to come.

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

2340 Mr Speaker, perhaps to give people an opportunity to have a bite to eat and to give me an opportunity to have some water, can I suggest that the House return at –

Mr Speaker: Before you do that, I have to put the question. (*Interjections*)

2345 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 2020 be read a second time. Those in favour?

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

2350 **Mr Speaker:** You want a division. Very well.

A division was called for and voting resulted as follows:

FOR

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

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

ABSENT

Hon. N F Costa

Mr Speaker: There is one Member absent. There are 10 votes in favour, 6 against. The Second Reading of the Bill is carried.

2355 **Clerk:** The Appropriation Act 2019.

**Appropriation Bill 2019 –
Committee Stage and Third Reading to be taken later the same day**

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 later today, if all hon. Members agree.

2360 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today? (**Members:** Aye.)

Mr Speaker: Therefore I ask the Chief Minister, we recess until ... ?

2365 **Hon. Chief Minister:** Three o'clock, Mr Speaker.

Mr Speaker: The House will now recess until three.

The House recessed at 1.55 p.m.