



RECORD OF THE MEETING OF  
THE LEGISLATIVE COUNCIL

held

23rd - 28th May 1988.

RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL

HELD IN STANLEY DURING THE PERIOD 23RD TO 28TH MAY 1988

PRESIDENT

His Excellency the Governor, Mr G W Jewkes CMG

PRESENT MEMBERS

Ex-Officio

The Honourable the Chief Executive  
(Mr B R Cummings)

The Honourable the Financial Secretary  
(Mr H T Rowlands OBE)

Elected

The Honourable J E Cheek  
(Elected member for Stanley Constituency)

The Honourable A T Blake  
(Elected Member for Camp Constituency)(23, 24 and 25 May only)

The Honourable T S Betts  
(Elected Member for Stanley Constituency)(23 and 24 May only)

The Honourable L G Blake OBE JP  
(Elected Member for Camp Constituency)

The Honourable C D Keenleyside  
(Elected Member for Stanley Constituency)

The Honourable R M Lee  
(Elected Member for Camp Constituency)

The Honourable E M Goss MBE  
(Elected Member for Camp Constituency)

The Honourable Mrs C W Teggart  
(Elected Member for Stanley Constituency)

PERSONS ENTITLED TO ATTEND

The Commander British Forces  
(Major General A N Carlier OBE)

The Attorney General  
(Mr D G Lang)

CLERK

Mr P T King

PRAYERS

Prayers were said by the Reverend Canon  
J G M W Murphy LVO MA

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CONFIRMATION OF MINUTES

The Record of the Meeting of the Legislative Council held on 25th November 1987 was confirmed without amendment.

PAPERS LAID ON THE TABLE BY THE HONOURABLE THE CHIEF EXECUTIVE

- 12/87 The Interpretation and General Clauses (Amendment) Ordinance 1987 (Rectification of Clerical Errors) Order
- 13/87 The Firearms and Ammunition Ordinance 1987 (Commencement) Order
- 14/87 The Buildings of Architectural and Historic Interest Ordinance 1987 (Commencement) Order
- 15/87 The Oil in Territorial Waters (Amendment) Ordinance 1987 (Commencement) Order
- 16/87 The Petroleum Products (Amendment) Ordinance 1987 (Commencement) Order
- 17/87 The Immigration Ordinance 1987 (Commencement) Order
- 18/87 The Immigration (Removal of Undesirables) Order
- 19/87 The Legislative Council (Allowances) Order 1987
- 20/87 The Executive Council (Allowances) Order 1987
- (No's 21 and 22 were Tabled at the November 1987 Meeting)
- 23/87 The Deductions (Employees) Regulations 1987
- 24/87 The Fishing Regulations Order 1987
- 25/87 The Immigration (General) Regulations Order 1987
- 26/87 The Immigration (Visa Exemptions) Order 1987
- 27/88 The Fisheries (Transshipment and Export) (Fees) Regulations Order 1987
- 1/88 The Merchant Shipping (Registry) Ordinance (Commencement) Order 1988
- 2/88 The Breath Alcohol Concentration Measurement (Device Approval) Order 1988
- 3/88 The Breath Alcohol Concentration (Prescribed Limit) Order 1988

- 4/88      The Fugitive Offenders (Designated Commonwealth Countries) Order 1988
- 5/88      The Matrimonial Causes (Decree Absolute) General Order 1988
- 6/88      The Road Traffic Ordinance (Commencement) Order 1988

**PROCLAMATION**

No. 1 of 1988    Sitting of Legislative Council 23rd May 1988

Falkland Islands Audited Accounts for the year ending 30th June 1987.

Report and Accounts of the Falkland Islands Development Corporation and Stanley Fisheries Limited for the year ended 31st December 1987.

## ADDRESS BY THE PRESIDENT

Honourable Members,

The Chinese, so I am told, have a traditional greeting: May you live in exciting times. Whether we in the Falkland Islands live in exciting times, and whether Islanders want in any case to live in such times is, perhaps, open to debate. What is undeniable, however, is that those of us who live and work here do so in challenging times. We cannot deny that fact. If there were any disposition to do so, the Budget shortly to be presented by the Honourable the Financial Secretary would bring the message home to us.

Faced with today's challenges, it is just as well that the majority of Honourable Members are by now experienced if not veteran participants in the consideration of budgets. It is always refreshing, however, to welcome a new member and today we are glad to note the presence for the first time at the oval Table of the Honourable Wendy Teggart, the elected successor to Mr Lewis Clifton who is now representing the FIG so well in London. If, Mrs Teggart, you are feeling a trifle nervous today, there are many present who will sympathise with you, and we all wish you well.

Sadly, a single welcome has to be balanced by our recognition of a number of impending departures from the service of the Falkland Islands Government.

The Chief Executive is shortly to leave us, and I would thank him for his services to the Islands during a most strenuous 13 months or so, and wish him well for the future.

The Budget for 1988-89 will be the last and certainly the largest to be presented by the Honourable the Financial Secretary before he retires later in the year although, like many another great artist, he may yet reappear for a final final curtain call when another session of Legislative Council is held in the spring. An opportunity for tributes to our esteemed colleague will arise later in this session - but not before he has had an opportunity to satisfy the irresistible demands of Honourable Members during the proceedings of the Select Committee on the Budget.

Sadly, too, the Civil Service will be losing shortly the services of two other stalwarts. I refer first to Mr Bill Etheridge, on whose behalf we all fervently hope that early retirement from the Posts and Telecommunications Department will contribute to a marked improvement in his health. And secondly, to Mr Rex Browning, whose amazing recall of people and events connected with the Falkland Islands would make him a natural choice to appear on the BBC's Mastermind programme. He will be greatly missed in the Secretariat. Gentlemen, we thank you both most sincerely, and wish you well in your retirement.

Whilst thanking those who are about to leave us, I also want to pay the warmest possible tribute to those who remain: to elected members of Council who, despite the pressures of the daily work that actually earns them a living, give unstinting, unpaid service to the community; and also to senior officials and heads of department who carry forward the day-to-day administration of the Government often without adequate support because of serious

staff shortages. We have three such officers sitting at our Table today.

I touch on the effect of staff shortages because recent activity reports which have been very kindly prepared for me by Heads of Department return again and again to the theme of unfilled and unfillable vacancies. Let me review now some of those reports, since they provide a useful backdrop to this week's work on the Budget and, no less, remind the listening public outside this Chamber of a sample of issues and events.

I give pride of place this year to the Agricultural Department which is run so quietly yet effectively by Owen Summers. How I wish we could have more Islander civil servants of his calibre. One of his principle tasks has been to handle work relating to the purchase and sub-division of farms - a continuing task which calls for comprehensive knowledge of agriculture in the Falklands allied to a great deal of tact and patience. The Department has recently been or is currently involved in work relating to Hill Cove, Port North, Keppel Island, Port San Carlos and Douglas Station. There are many other tasks performed by the Department of a more personal nature which cannot be described in detail. These include the administration of the FIDC's well-regarded Grant Scheme. I am glad to note also the good work being done by Peter Armitage, the Veterinary Officer, after a period when we had no such officer in post.

The Agricultural Research Centre under Iain Dickson, whilst separate from the Agricultural Department, has had and will have its own special place in the Government's scheme of continuing support for the agricultural sector. Some fundamental changes in the funding and staffing of the ARC are in progress as ODA support comes to an end. From 1 July, its programme, staffing and budget will all be approved by Islanders. Successors to outgoing technical co-operation officers, for whose services and varied contributions to life in the Islands we are most grateful, will be recruited in future on the new FIG contracts.

The main thrust of the Centre's programme will remain to improve the output and efficiency of wool production. I am most anxious that the scientific programme should be directed, and be seen to be directed, towards practical ends. Co-operation between the ARC and farmers is a source of strength to both parties, and is to be encouraged.

I have mentioned already the imminent retirement from the Posts and Telecommunications Department of its superintendent, Mr Etheridge. It is also appropriate to note the retirement of Mr Bill Roberts and to thank him for his sterling services on the telecommunications side over an incredible 48 years. His departure reduced the available technical staff to one, from four employed in 1986. Mr Roberts and his colleagues have kept our ageing internal telephone system going remarkably well against great odds, but the end of its useful life must be in sight. It is just as well, therefore, that proposals from Cable and Wireless for the development of an Islands-wide telecommunications system are now well advanced. Provision to meet considerable expenditure during the next financial year is sought in the Budget.

The postal services side of the department has obviously suffered

from the unavoidable absence of the Postmaster, but my impression is that the remaining staff have managed very well indeed, and have often gone to great lengths to maintain a satisfactory service.

The Broadcasting Officer and his helpers continued to provide a most useful service of news, entertainment and information in co-operation with BFBS. The latter are in the process of installing and commissioning a medium wave transmitter towards which the FIG has contributed.

Sadly, but I fear inevitably because of the world market conditions, revenue from philatelic sales has continued to decline. But the Bureau continues to contribute helpfully to the Government's revenues under the management of Mrs Phyllis Stewart.

This has been an historic year for the Medical Services. When we consider all the difficulties and complexities which attended its construction, the completion of the new King Edward VII Memorial Hospital was achieved in a remarkably short time after the tragic fire of April 1984 and it is a most impressive memorial to the victims of that tragedy.

Having become operational on the 10th of August 1987, the KEMH was very much a going concern when it was formally opened by Mr Tim Eggar on Battle Day and it was particularly pleasing to see how smoothly the integration of civilian and military staff into a single team has taken place. Great credit for this is due to Dr Derek Murphy and to his military and civilian colleagues at all levels.

It was a memorable event when Sir Jack Hayward and Sir Charles Frossard together opened the Sheltered Housing Accommodation. The occasion was delightfully informal but nonetheless very moving. The fact that the Sheltered Housing Accommodation was filled quickly, and remains filled, makes clear how great was the need for it.

Similarly, the need for a facility such as the KEMH in the Islands has been underlined by the use that has been made of it during its brief existence. In the six months from September 1987 to February 1988 there was a 14 per cent rise in clinic attendances alone. By the end of April 585 in-patients, including 293 civilians and 133 military patients, had been treated. In March and April of this year, 4 extra beds had to be put up in the ward because the 24 acute beds originally provided in the design proved inadequate at the peak of the fishing season. Bed occupancies of 104 per cent, which imposed particularly heavy strains on the nursing staff, were attained on a number of occasions. This suggests that, with the strong probability that the population of these Islands will steadily increase in the foreseeable future, serious consideration may have to be given to measures aimed at increasing the bed numbers in the hospital. However, the cost and staffing implications of such a move could be very serious indeed.

The opening of the new hospital has perhaps distracted attention from the wider and increasing problems confronting the Medical Service as a whole. In Camp, the centrifugal effect of the subdivision of settlements is making the delivery of health care, to

a standard appropriate to the 1990s, increasingly difficult especially at the individual level. The steady stream of requests from new farms for additional medicine chests - which are an expensive item both to supply and to maintain - is but one example of the increasing calls on the service.

The opening of the low-dependency Sheltered Housing has also distracted attention from the increasing geriatric burden in the Islands. It may become necessary to consider soon the provision of more suitable accommodation for the Islands' elderly people of high dependency. Once again, however, I must stress the cost and staffing implications.

It is a matter of some disappointment to us all that the Geriatric Day Centre is at present used for its intended purpose on only two half days a week, because of the lack of either paid or voluntary helpers, a point which serves to underline the difficulty which would be faced in establishing a separate residential home for the elderly.

A most important recent development has been the decision of Executive Council to promote Mrs Etheridge to Social Worker and to give her increasing support. An increase in social and welfare problems will, I regret to say, probably be an inevitable accompaniment of the economic development of the Islands and Executive Council has very wisely made provision for this.

Change and development in the Islands have been reflected in the Education Department where staff have tried to respond to new needs with new policies of openness to the public and increased commitment to education in a full sense and for all age groups, while continuing to work to United Kingdom standards.

The Senior School has introduced the new GCSE syllabuses, meeting the many problems publicised in England whilst trying to compress courses to allow for an earlier school leaving age. The last years of 'O' level are being taught and Business Studies have been reintroduced. Space has been found by use of temporary buildings, but no temporary building will serve an active school for long and the need for the new school, rightly postponed whilst numbers were impossible to forecast, is very pressing indeed.

By obtaining magnificent gifts of equipment and dinghies, the Headmaster has varied sports activities and the swimming pool is eagerly awaited. Staffs of school and Hostels are trying to establish rather more formal links and the Chief Education Officer hopes that these may encourage diversification of interests and responsibilities for all students, as part of preparation for life in a changing society.

During the year the staff have introduced a little more structure into the Hostels, whilst retaining their informal atmosphere, and extra camping and weekend facilities have been developed. The Chief Education Officer is very concerned that the Hostels should remain attractive to children and parents with as much visiting and interchange as possible.

The Infant and Junior School has continued to follow its excellent and lively curriculum, with its usual clubs and extra activities. It has done so in spite of crises of staff and of

space. Hard work and local help have overcome unavoidable staff problems caused by illness or personal difficulties, but these have encouraged the Headmistress and Chief Education Officer to pursue enquiries into the possibility of local training in co-operation with UK colleges.

Problems of space are very serious. The school roll has jumped from 139 to approximately 190 and this will be exceeded whenever the school welcomes visitors from Camp, or the families known to be coming to the Islands to work for Fisheries or other Departments. A third Infant class has already been established - without a classroom. The case for a new school would be overwhelming but for the Senior School's still greater need.

Camp Education has had an impressive year, producing much work of high standard and meeting changed requirements with new ideas produced by the Think Tank established in its new building, which has proved a great success. The Camp Education Supervisor has encouraged closer links between radio and travelling teachers and between radio teachers and families, while Hill Cove school is being developed as a teachers' base. Seminars continue to bring together all the staff of the Department and a major event has been the arrival of the first teachers recruited in New Zealand to join travelling teachers from the UK, sharing new ideas of teaching and training which Mrs Rendell will explore when she visits Australia and New Zealand later this year.

I know that the Chief Education Officer hopes that, in deciding priorities, the central importance of an education service responsive to the needs of Falkland Islanders, as well as to those of any families they may wish to attract, will be recognised. Only such a service will ensure that Islanders are prepared to take part in development at all levels.

May I say how deeply sorry we shall all be to lose all too soon the imaginative and far-sighted services of Mrs Murphy. We say thank you also to Mr Shay Mahony who, with Mrs Mahony, leaves the Islands shortly after a stay of 7 years, and to Mr Peter Gilding who has resigned from the Department after working there, but for one interval, since 1972.

Now I am afraid that we all tend to take for granted the municipal services provided by the Public Works Department. However, despite a shortfall of up to 40 men, the Department has, I believe, maintained to a satisfactory level a wide range of services which, in Stanley, affect very directly the quality of life.

A number of projects have been completed using either the Department's own labour and plant, or that of local contractors or a combination of the two. I single out the repainting of the Town Hall, which I think has given a lift to all of our spirits, and also work on the single housing units in Jeremy Moore Avenue - a project which I would like to think might well set a pattern for the future.

In addition, PWD has designed and managed the letting of three major contracts to international contractors, namely, the Jersey Housing Estate, Hillside Estate's access road, and the Dornier Hangar at Stanley Airport. Significant progress has been made in co-operation with the Crown Agents in respect of the new water

supply, treatment and distribution system, now well advanced, and also in respect of the rebuilding of a one megawatt generator and the procurement and installation of the new one point five megawatt generator No. 7.

I am increasingly optimistic about the ability of this Department - under the leadership of Mr Charles Carter, and also as vacancies are filled by both local labour and St Helenians on short term contracts - to satisfy the increasing demands and expectations of the community.

The Falkland Islands Government Air Service (FIGAS) attains its 40th birthday this year, as we have just been reminded by Mr Robin Pitaluga. It has had a quite remarkable life but, with the increased opening of the Falkland Islands to travellers from overseas, the development of internal demand and, not least, the obligation to observe international safety standards which are overseen increasingly by the British Civil Aviation Authority, certain changes have had to be initiated during the past year. These of course were provoked immediately by the accident at Brookfield but, for one reason and another, underlying problems had existed for sometime.

Mr Gerald Cheek remains, of course, as Director of Civil Aviation with responsibilities for the regulatory side of civil aviation activities, the management of Stanley Airport and air traffic control. A new manager, Mr Peter Milner, has just been appointed to FIGAS. He comes to us with more than 20 years experience in airline management. I wish to thank Gerald Cheek in particular for shouldering for several years, without complaint, an impossibly wide range of duties. We owe him a great deal. I believe that the new separation of duties described is logical and in the best interests of users of the air service, the staff of FIGAS itself and, incidentally, the generality of tax payers, since the service continues to be heavily subsidised.

The Falkland Islands Police Force suffered very serious staffing problems during much of the period under review. No less than seven officers resigned from the Force whose maximum strength never exceeded 13, an alarming proportion. This represented a loss of experience in a majority of cases and also a loss of investment in their training. Overstretch and relatively poor pay appear to have been the principle causes of this unsatisfactory state of affairs.

I believe it is reasonable to assume a direct linkage between the number of experienced police in post and crime detection rates. Sadly, but perhaps not surprisingly, the rate of crimes detected as a percentage of substantiated crimes investigated fell from 64.8% in 1986 to 51.58% in 1987.

Happily, the financial year looks like ending on an altogether more optimistic note thanks to measures taken by Executive Council in January on the recommendation of the Chief Police Officer. A newly restored inspector's post will be filled by August; two constables have been selected to fill the Station Sergeant and CID vacancies; four probationers passed out in April; and two more recruits have recently commenced induction training.

The Financial Secretary's own department, the Treasury, together

with its own close neighbours, the Secretariat and the Justice Department, have all performed miracles of one kind or another in the face of extremely serious staff shortages, especially of trained clerical staff.

Within the Treasury, I mention several areas of special concern. The overall volume of transactions has increased since the declaration of the fishing zone; secondly, more resources are needed to assist in accounting work relating to the KEMH cost-sharing agreement; thirdly, there is a considerable (yet otherwise welcome) increase in loans, particularly for housing; fourthly, the expansion of the development programme from local funds previously financed from external sources, for which many payments were made in the past by the ODA; fifthly, increasing prosperity leads to an increase in the number of tax payers and the need for advice on taxation, all of which adds pressure on the Income Tax Officer. Closely related to the Treasury's problems is the fact that serious revenue collection difficulties have arisen in various departments owing mainly to the lack of trained staff. Honourable Members will find that a section is devoted to this problem in the Auditor's Report on the FIG Accounts for the year ending 30 June 1987 which later today will be laid on the Table.

Still within the ambit of the Treasury is the Central Store. Petrol and kero supplies have now been privatised, and are in the hands of Stanley Services Limited. We are most grateful to the Ministry of Defence who supplied the Central Store with all types of fuel until the handover to Stanley Services. I am told by the Supplies Officer and am glad to pass on to General Carlier, that military representatives were a pleasure to do business with. Although it has caused more difficulties for the staff of the Central Store, I am glad to note that the Government's increased building programme has meant more demands on Store stocks - an interesting economic indicator.

The Fisheries Department under Captain John Jackson is certainly a lusty infant which has now been operating most effectively for 15 months, a period which includes two high seasons. Although few changes have been made in its basic structure as instituted by Mr Peter Derham, considerable fine-tuning of the Department's activities has taken place and will continue as more and more experience of operating in the FICZ is gained.

Surveillance units - the Dornier and the two patrol vessels - have carried out patrols throughout the year. Recent weeks, however, have seen the first positive actions by the patrol vessels in the apprehending of a number of unlicensed vessels. We congratulate the patrol officer on the work that they have so effectively completed in recent weeks. And also a point that is not scripted I might say but is no less genuine for that, I would thank the Lay Magistrates who in this Court have dealt with the fishery infractions which have been brought to attention here. We rely a great deal upon the services of the Lay Magistrates in the absence of a stipendiary Magistrate and I for one continue to be very very grateful for that indeed.

The Fisheries Department has also been running FIPASS for some months, and will shortly be moving its own headquarters to that facility.

A considerable increase in the number of fishing vessels entering and clearing Berkeley Sound has increased the work of the Collector of Customs and Harbourmaster, Mr Les Halliday and his staff. Unfortunately, this is one of the areas where staff shortages have led to delay in the clearance of accounts, but I understand that the backlog is now being reduced. It is pleasing to note that Mr Robert King, Assistant Customs Officer, successfully completed a 12-week Customs and Excise Course in Britain.

The Falkland Islands Government Office in London is now very well established. It is of course pleasing to note the return to the Islands of Alastair Cameron after his very successful three-year stint. His successor, Lewis Clifton, is now very deeply involved in the many activities of the office, one of which, air passage bookings, has been taken over from the Foreign and Commonwealth Office. Much of the work of the office now revolves around fisheries management procedures, but time is still found for press and promotional activities, and the fostering of parliamentary contacts. It would appear, I am glad to say, that much of what might be called "sensational" interest in the Falkland Islands on the part of elements of the United Kingdom press has disappeared, or is being reduced, to be replaced by a more fruitful increase in interest in the Islands' economic potential. That is a healthy sign.

Whilst the Falkland Islands Development Corporation falls somewhat at this stage outside the ambit of the present budget, I feel that it is only appropriate that it should be mentioned here.

In the Agricultural Sector, the Corporation have managed on behalf of the FIG such transfers from overseas ownership as Port Howard and Hill Cove. They have continued their support of agriculture through a range of Land Improvement Grants and Farm Management and Training Schemes.

The Market Garden is now living up to all our hopes and expectations. Several of FIDC's assisted business projects - Reflections, Monty's and Manybranch Nurseries - are doing remarkably well. The MPA shop complex will soon be ready for opening.

The fledgling tourist industry shows much promise given the enthusiastic promotional activities of Graham Bound and Rana Anderson.

The development of the commercial fisheries sector has developed at an almost breathless pace under the direction of another FIDC subsidiary, Stanley Fisheries. This rapid growth has shown up flaws in the nature, structure and staffing of SFL. These led to the commissioning by FIDC of a total review of the operation. The resultant report has since been considered by the FIDC and by Executive Council, indeed by all Councillors, and I shall return to that shortly.

Throughout the year, FIDC too has been plagued by staff shortages. Indeed, recently, FIDC, SFL and Falkland Islands Tourism had staff to fill only 40% of their total establishment. The demands on remaining staff have been enormous, and great credit is due to them.

Looking ahead to 1989, FIDC will move from being funded by ODA to being funded by the FIG. Changes in its establishing Ordinance and its operating procedures will almost certainly be necessary. Its relationship to the FIG must be carefully defined in this changed relationship and its funding levels defined. Later this year a second review of FIDC will be undertaken by the British and Falkland Islands Governments along the same lines as that undertaken in 1986. The review will aim to ensure that FIDC continues to promote the general economic development of the Falkland Islands in a manner satisfactory to the Government and people of the Falkland Islands.

The cost of maintaining the British Military Forces so ably led and commanded by Major General Neil Carlier most definitely does not fall within the purview of the Financial Secretary's draft estimates - at least, not yet. But, General, I would take this opportunity of thanking you most sincerely and all the officers and other ranks under your command simply for being where you are and what you are. Where would we be without you? Certainly not sitting here today considering a £28 million budget for the Falkland Islands. You all provide in a very special sense the most tangible evidence of Britain's political commitment to these Islands.

You yourself, with Daphne, will be leaving these shores all too soon. You have both made a remarkable number of good friends throughout the Islands in a relatively short time, and we shall not forget easily your kindly interest and co-operation in civilian affairs and your warm hospitality.

I spoke last year of the advent of the fisheries zone presenting Honourable Members with a new set of problems - the problems of success as Mr Eggar has since described them, but problems nonetheless. I come to one of those problems now, and ask you to cast your mind back for a moment to what I had to say about the review of Stanley Fisheries. The point at issue is the division of the total charge levied for the privilege of fishing in the Falkland Islands Interim Conservation and Management Zone between a licence fee payable direct to the Falkland Islands Government and an equivalent sum - the joint venture fee - payable into a joint venture.

The Budget for FY 1988-89 as originally drafted some weeks ago envisaged that the structure of fees payable by the companies awarded licences to fish in the FICZ during the high season of 1989 would be broadly comparable to those charged in 1987 and 1988, that is, a licence fee payable to the FIG and an additional fee of the same amount payable into a joint venture in association with SFL -the so-called JV premium.

At their meeting on 16 May, Executive Council took a decision of far reaching importance. As from 1 January 1989, those companies which are successful in securing licences allowing them to fish in the FICZ during the high season will pay a single fee which will embrace the earlier licence fee and joint venture premium combined. In principle, this will not weigh any more heavily on fishing companies than the present system, although it should be noted that the actual level of fees for 1989 will not be set for some time. However, due allowance for the increased revenue, which it is assumed will accrue to the FIG in the second half of FY 1988-89, is made in the estimates which are about to be

presented to Honourable Members. The Financial Secretary will give further details.

It follows, of course, that the income from JV premiums will no longer flow automatically to SFL and its associated JV partners. Other means of supporting approved development projects by the JV companies which are deemed to be of benefit to the Falkland Islands will be examined in due course.

It is time for me to draw this address to a conclusion on what I hope you will feel is, essentially, an optimistic note.

As I am aware from many discussions which I have had in Stanley and in the Camp, for some, the rate of development is too slow; for others, it is too fast. Whatever the differences on this score, however, judging from a number of indicators by which the economic health of a community can be assessed objectively, the Falkland Islands have done very well during the past few years and look set to continue experiencing a rise in prosperity. Look again at the Prynne Report if you want an objective assessment of this. Let us never forget, however, that the conditions for growth were established at great cost to others in 1982.

Fears are often expressed that the fish will go away suddenly and that even present prosperity, to say nothing of hopes of even better things to come, will collapse like the infamous South Sea Bubble of the 18th Century. I see no grounds for such fears, although overall income could fluctuate quite markedly from one year to another because of the Islands narrow economic basis. This is the main reason why building up buffer reserves is so very important. I urge Honourable Members, therefore, to give this very high priority.

I fully recognise that there are still many unsatisfied developmental needs just as there are many unsatisfied maintenance needs throughout the Islands. I personally believe, however, on the basis of the community's experience since 1983 - the start of the £31 million programme - that an average spend of the order of £8 million a year on capital development - that is about £4,000 per head of the population, high by any standards - is at the upper end of what it would be wise for Councillors to commit the Government to over the next few years. This is not due to any prospective lack of money but to the lack of indigenous human resources coupled with the practical and social desirability of paying more attention than hitherto to the maintenance of existing assets. Promised development projects which fall well behind the timetable implied in approved estimates only go to breed discontent if not cynicism among the electorate. It is far better and more honest to set attainable targets in the first place.

I do not envy Honourable Members the task of having to determine priorities during the next few days. I do, however, wish them and the entire Falkland Islands community calm seas ahead and a prosperous voyage into the future.

MOTION OF THANKS TO HIS EXCELLENCY ON HIS ADDRESS TO COUNCIL

The Honourable J E Cheek

Your Excellency, it is a particular pleasure in rising to propose this Motion of Thanks on your Address earlier today. The Address I found extremely comprehensive covering the civil service and in fact what has been happening in our Islands for the last year. I'm not going to comment on each department as you have done; in fact I'll restrict myself to my department of special interest which is education.

But I would like to start off by welcoming Mrs Teggart. It is nice having a new Member present and especially nice to have a lady amongst what has been an all-male Council for the past year or two. I hope she is now as nervous as I was the first time I stood up in this Council.

Also as we welcome someone, as you say, we have to on this occasion say goodbye and thankyou to a number of people, starting off with our Chief Executive who has obviously put in a tremendous amount of work this last year. Also of course to the Honourable Member on my left, Harold as we all know him, who has been here longer than I can remember. I wouldn't even like to guess how many years he has been sitting on this Council as Financial Secretary - before that as Colonial Treasurer - but we will certainly miss him although I am not sure that I agree with your comments, Sir, when you talked about our irresistible demands in so much as Harold has that amazing ability to resist them more often than not.

Also farewells must go to Bill Etheridge, Rex Browning and for me even more sad Bill Roberts. At one stage I worked in that department, Bill was my boss, and I think no one really knows the amount of work and interest Bill took in maintaining the communications of these Islands, certainly the telephone system in Stanley. I think if it had been anyone else two things would have happened: one it would have collapsed years before now, and secondly it would have cost the tax payer far far more money than has been spent on it in the last I don't know how many years, ten years or more. Bill has done a tremendous job and far more, I believe, than anyone should or could have been expected to do.

Moving on to Education. I too am sad to have to say farewell to Mrs Murphy. Mrs Murphy has not been Chief Education Officer for very long but I think we can definitely say she has left her mark there, and by that I mean in the right sense. She's certainly pointed out various ways of doing things which were probably original, she has that original mind and is very hard working and I think has got the public more interested in education. It has been one of the problems I believe in the Islands that there has been not the interest in education I believe there should be and I think Mrs Murphy has started to get people more interested. I hope that interest continues and expands because, as has been said before, probably by me and certainly by other people, the whole future of these Islands depends on our own people and for that our own people need to be educated.

I look forward to the new Senior School and indeed I look forward to the new Junior School as well but lets take them one at a time. But it will be two or three years before we have that new

Senior School. In the meantime all I can do is ask those who are running the Senior School that they put up with the shortage of space and all the problems that go with it. I'm not going to promise them but I can only hope that this year we will finally have a resurfaced playing ground in the Senior School.

This year particularly has been especially hard for the Senior School, as you yourself mentioned Sir, the start of GCSE's, the last year for 'O' levels, and what you didn't mention the last year for CSE's, so we have the three systems running at once. They still seem to be doing fairly well, and rather better than fairly well if the results of the 'O' levels this last year are anything to go by. But next year I believe they can settle down, still with the lack of space but only with the one course, the GCSE, to continue with.

And I must thank Shay Mahony for the excellent work he has done there as Headmaster over the last few years. I know the teachers and, I think to be honest, the children will miss him. But he moves on and I would like to welcome Mr Burgess who is taking over in his place and I only hope that he will survive the next two or three years while we wait for that new school.

The Infant/Junior School. How they manage to do the work they are doing with so many children jammed into that inadequate building I don't know. I would hope to see at least some form of extra space even if it is on only a temporary basis before we get either a new school or possibly an extension in the grounds adjacent to the current school.

Camp Education also suffer, Sir, from what I think you called the centrifugal forces of the splitting of the Camp apart. I think it is probably affecting the Education Department in the Camp as much or more than the Medical Department, and I am only thankful that we have someone as efficient as Mrs Rendell in the post there. She certainly has lots of good ideas and they hopefully will be further expanded when she goes later this year to New Zealand - she can learn even more there.

Stanley Hostel seems to be overcoming the problems they did have. I don't think any of us can hide the fact that there were problems and I am pleased to see that finally they have introduced a study time for children in the evenings. It has always worried me that teaching staff basically say to parents that their children will have to do homework in the evenings at home, but at the same time the Education Department did not get the children in the Stanley Hostel to do the same until very recently and I welcome that very much indeed. That covers the department that I have special interest in.

Sir, throughout your address you pointed out that probably the major problem is the lack of people in the civil service and indeed without the civil service the whole workforce in the islands is not as large as we need. What the answer is I do not know, but certainly I believe that now that we have overcome - I think we have overcome the money problem - that is our next major problem. To save it getting worse I think we have to do one thing.

When I started speaking I said farewell to those people with Harold and two or three others, all about the same age, just a

little bit older than me, and they were the last generation in these Islands where we had enough people to do these jobs. In a number of cases they will not be replaced by Falkland Islanders because there are no Falkland Islanders left of my age and a bit younger here. They all left in the 50's and 60's, although even if they had been here we would still have been short, but it would have made a vast difference. I think what we have to guard against is that we do not lose the up and coming young Islanders as we've lost my generation and the generation younger than me. I think that is probably as important if not more important than attracting new people although we need to do that as well.

Sir, I think there are many other things I could mention but I think that is enough for the moment. We have a tremendous amount of work to do and I wouldn't like to steal Wendy's thunder. I'll leave something for her so, Sir, I support the Motion.

The Honourable A T Blake

Sir, I rise to support the Motion. I will make the observation, Sir, that if the length of the Governor's speech is anything of an indicator of the wealth of the Colony we are in fairly good hands at the moment! We, one, can afford to buy the paper to put it on and, two, a fancy photocopier to be able to give it all to Members just in time for the meeting.

I would also like to welcome Wendy Teggart to the Council Table. She has already put a valuable input into our proceedings and various other committees and they have been very welcome.

I would support in general, Sir, your comments of gratitude to all those who are leaving us. I believe without exception they have all served the Islands with dedication and have always carried the fortitude and interest of the islands to the forefront and have been dedicated also in making sure they leave us with a secure future.

I think that perhaps we should have made mention at this particular point of all the various fishing companies of the various nationalities who have joined us in our new ventures as it were. Quite a few of whom I see represented in this room today. I welcome them into this Chamber and to the Islands generally and I hope that our associations in the future are prosperous for all of us.

I would comment, Sir, that your speech to me seemed to be one long episode of staff shortages, particularly perhaps trained staff. I believe that perhaps some departments are so short that they are probably even unable to send Islanders away to be trained so they may play a more useful part in our economy and the development of the Islands in general. I think also, Sir, there must be a link between the salaries paid by the Government and the shortages we experience. With FIG taking over the OSAS posts as ODA pull out of the system I think we must make sure we get the wage levels right and the balance between our own people and those that we employ from outside on a more equal basis.

I certainly believe, Sir, that the shortage of housing is probably the main reason why we find ourselves in this present

situation and although we have made strenuous efforts to relieve the shortage of houses I do not believe that we have in any way narrowed the gap. I think that we have been creating posts at a faster rate than we have been building houses and I do not believe we are going to solve the problem of shortages of staff until such time as we create a small surplus in housing, so that when we need people we can bring them in and house them immediately. That's the only way we are ever going to solve that problem.

We are experiencing I think within the Islands, and its nothing new, but I think with the speed with which we have been developing and changing that the communications between the various elements of the community have somewhat slipped, and I talk about the communications between Council and the Administration, between the Administration and the people and between the people and their Councillors. I think we have to make very strenuous efforts to make sure we improve the communications at all levels. I think it is the only way that we can discuss our problems on as wide a basis as we possibly can achieve.

I think probably in the last twelve months there have been far too many Ordinances which have been passed which have not had wide enough discussion amongst the public. I know that we have had to move very quickly in a lot of cases, but I hope, Sir, that pressure will come off us to a certain extent in the next year so we can give reasonable and just discussion to all the legislation which we may bring to this House. Sir, I support the Motion.

**The Honourable T S Betts**

Your Excellency, Honourable Members. In rising to support the Motion on your speech I too welcome the Honourable Mrs Teggart to the Legislative Council. I remember at the last meeting of the Legislature I made a comment about there being three empty seats in the House and its a privilege and pleasing to see that all are filled today.

I would say farewell to the Chief Executive and thank him for all his efforts in the last twelve months. He has spent many a long day, not only in the Secretariat but around the world, representing the interests of the Falklands. I will leave my farewells to the Financial Secretary and members of the Civil Service during our Motion for adjournment.

I noted your comments on staff shortages and perhaps we do not as a Legislative Council take on board the warning signals from various heads of departments when they flash them. One department that I can readily think about is the Falkland Islands Police Department which, as you rightly stated, is now in a happier position than it was six months ago.

I look forward to the new telecommunications system being installed, something desperately needed, not only for Stanley but for the Camp. Communications in general in these Islands come at a cost whether it be FIGAS, Coastal Shipping or the airwaves in general.

I would also like to say farewell to Mrs Eileen Murphy who, I remember making comment on in one Legislative Council meeting, initially would not have been my choice as head of that department but took no time in proving that the people responsible for making that choice made the correct one. I hope as a member of the Senior Appointments Board looking for her replacement we will also make the correct one.

Education is without doubt a very important matter, if not the most important single matter, for us to get right in the Falklands. I think before too long we will have to seriously consider the raising of the school-leaving age from 15 to 16. It could well be even now that our pupils are entering in to the GCSE's a year too early. I am also aware of the problems that will bring about.

FIGAS. On FIGAS I would just like to say that I believe as an administrative and Legislative body we have been trying to get things correct for its staff, but in return I believe the staff must provide us with a seven day flying week, even if it is only to accommodate tourists. I do not believe tourism can survive without it.

In the Fisheries Department I offer my congratulations to the administrative staff, to Mr John Jackson, but I also warn that Department that during this week we in Select Committee will be scrutinising its expenditure very carefully.

The Customs Department. While it has a problem in staffing levels I believe it also must start to perform a little better. There is undoubtedly an amount of money that should be in the administration's coffers now.

I would like to offer my thanks to the Falkland Islands Government Office and its staff, particularly Mr Lewis Clifton, and a very able assistant in Miss Sukey Cameron.

My final comment is on the Falkland Islands Development Corporation, and the Stanley Fisheries Limited. As a member of the Corporation's Board and the Executive of FIDC and as a director of Stanley Fisheries Limited, I believe that the review of both have come none too soon and that further and more stringent control needs to be taken on both of those bodies by this particular body.

Sir, I support the Motion.

**The Honourable L G Blake OBE JP**

Your Excellency, Honourable Members. I join with my predecessors in welcoming the Honourable Mrs Teggart. If she is busy writing her speech I must just warn her of two things: one is that she is not allowed to read it and the other is that she is not allowed, or she will be in second place if she mentions the clock! That is the prerogative of the Honourable Member for Camp, Mr Goss, so those two points are all that she needs to remember.

With other Members, Sir, and with you, it is always nice saying hello and always rather sad to say farewell, and regularly at

this session of Council we have to say farewell to one Member who sits at this Table and that of course is the Commander British Forces. I'm at a loss in fact now to find anything new to say about the Commander British Forces - maybe one day we'll get a bad one and it'll be easy enough! But to General Carlier and his wife Daphne, really and truly all I can say is 'thankyou' for their co-operation, their kindness, helpfulness and understanding, and to General Carlier himself thankyou for the interest, care and attention which he gives, or has given, to the work of this Council and to the Executive Council. I don't think there is a posting anywhere else in the world where you not only have to run a force but you have to act as a member of the local government. You've got places like Hungary and I could name a few but under those circumstances he has a lot more assistance. However thankyou and good fortune in the future and I look forward as always to meeting your replacement.

To the Chief Executive again I say thankyou. The post of Chief Executive is probably the most unenviable one in these Islands because he is at the spearhead of the administration, which makes him the general whipping boy, and I would in no way wish to carry a portion of the load that the Chief Executive has to carry. I admire the way he and his predecessors have stood up to that.

Equally I would like to thank Rex Browning and Bill Etheridge both of whom have sat across the Table from me at times as Clerk of Councils, and guided me as a newish Member and helped in every way possible. This was before they started running their own departments and I think they have given these Islands a tremendous amount to be grateful for.

And I would also particularly like to thank the Headmaster of the Senior School for the interest he has taken, not only in the curriculum but in the extra curricula activities, and also for the part that he and his wife have played in the community. We have people coming and we have people going but there are few I believe who intergrate as well as they have and who give as much of their time to the community. Sir, I single them out for special thanks.

I was interested, Sir, in your comments with regard to the civil service. It is something we have talked about at this Table a number of times and I think our problem is still the same as ever. We have not made the conditions of the civil servant attractive enough to encourage youngsters to go into the service, and if we don't grasp that nettle then we will continue to have problems in staffing the top ends of our departments locally. But equally I have to point out to the school-leavers and those at school today that these are their Islands and if they are not willing to work to qualify, to train, to make themselves proficient then they will always be the second man in the line. We have got intelligent children in these Islands; we have got the abilities as has been shown by the Members who have been at this Table and have worked in the departments, but if kids want to do a nine to five on an hourly wage then they will remain nine to fivers on an hourly wage. There is no cause under those circumstances to complain about the people who have to come in to do the jobs they can't do.

You mention, Sir, the co-operation between the farming community and the ARC which you praised, may I also make a plea for greater

co-operation within the farming community. If we do not get together and form a body which is representative of the farming practices in these Islands then again we will become a forgotten industry. And I think this is something that the agricultural community needs to look upon with care and with immediate attention.

You mentioned the move from the hospital. To me it is rather like a multiple walking transplant. I mean in this day of modern technology they can change livers and change hearts and what have you, and the Senior Medical Officer with his military counterparts achieved for the first time ever the complete putting together of one body. I think the way they moved the two hospitals together without lack of care is fantastic.

And you, Sir, in passing talked of the improvements to FIGAS, the upgrading of Camp Airstrips, but I would like to come back again to the point that I raised last year which would be the streamlining of our air operations, and the intergration of the surveillance duties of the Fisheries Department with our Air Service. This would alter the state of our Air Service from being a subsidised organisation to be an extremely attractive thriving body and I think we must do this both for economy and also to make that department the efficient and healthy department it can be.

Looking at the Order Paper there was one item which I look for whenever I am given a new Bill, or package of Bills, and that is the Representation of the People Bill. This one I still look for. We only have another couple of years before we come into another election. It is a Bill that I think will need publishing well in advance of passing, and I hope that we will see it published shortly.

And finally, Sir, to my special interest area, Fisheries. The belief in some quarters that, as you mentioned, the fishery here is a South Sea Bubble. I think those members of the industry who are behind me have shown their confidence, I think the department has shown it's confidence, and I can see no reason for the public to believe that its a case of 'here today and gone tomorrow'. The success this season of the fin fishery I think is indicative of our future and despite the fact that squid, Illex squid, is so low priced, the reefers have been in and out of Berkeley Sound and the squid jiggers have been shooting backwards and forwards to the extent that they are willing to run the risk of being nailed to the dock and prosecuted. Now, if that indicates an industry which is likely to go bust because of lack of prices, if it indicates that the fish aren't here, I cannot see what further indicators we need. We have an efficient and well run department and I believe we have an industry which will be a major part of this community for generations to come. I have confidence and I am pleased to see such signs that the actual participants have such confidence in us.

One item you didn't mention, Sir, but I would like to do so to put Council perhaps on notice, is that our Cathedral will be a 100 years old in four years time. And it is our hope that we will be able to celebrate that birthday in a right and proper fashion. But I think that we have to realise that if we are going to do that, in four years time then, in the not too distant future and before that date, we are going to have to start

looking at ways and means of preserving the fabric which is slowly, in fact not so slowly, deteriorating.

Sir, I beg to support the Motion.

The Honourable C D Keenleyside

Sir, I too wish to rise and support the Motion and I too welcome Mrs Teggart. I hope she will not be ticking too many things off as I go along.

I noticed in your goodbyes to members of staff that you didn't include Dr Murphy. I believe that Dr Murphy is a very stalwart member of the community and his leadership in KEMH I very much appreciated in my close liaison with him in his time here, and certainly by me he will be missed. The statistics that you included about KEMH do not really show the true picture: not the sort of visits to fishing vessels, all the extra work, the liaison, there is very much extra work in the hospital and it is not really appreciated unless you're actually involved in it and I feel that we really must give the necessary support in that direction that is required.

You refer to Harold, Sir, as an artist. I believe that Harold really is an artist and I think that the true value of his contribution won't be noticed until he has gone as is normally the case with artists.

You mentioned our Reserves and joint venture fees very closely together. I think that was probably by design. Certainly the extra monies from Joint Venture fees will help us to increase our Reserves and also, perhaps, to increase the wages as one Honourable Member already referred to.

In the Education Department we had very good leadership from Mrs Murphy and I believe she put the department on a very strong course for a good future. The Junior School seems to be running out of corners to put people in and I agree with Councillor Cheek's comments on the needs in that department. In the Senior School it is amazing that the compressed courses you referred to haven't led to compressed results and I think that is only due to the sheer hard work of the teachers involved. And I agree with Councillor Betts when he says it is time for an age limit revision.

Mr Carter has taken up his post in the PWD. I think the main thing that I noticed straight away was that my mailbox was a lot emptier. Maybe that's because he's working harder at actually getting the job done than telling us all about how he's going to do it. I think it is important that we get the mix of contract labour and permanent labour right. We are certainly seeing some improvements around the town from the small immigrant increases here and also from the contract labour that we have recently employed.

Under the ODA payments, and you refer to ODA later in your speech, I am a little bit concerned about the possibility of ODA paying for part of our new Senior School. The reason I say this is that in all the dealings that I have seen with ODA, dealing

with ODA means delay. Now I hope that including any ODA funding in our Senior School won't result in big delays whilst teams of experts are sent down so that they can approve every little move we make.

On the Fisheries Department, I am very pleased at the way that surveillance and policing has been going forward, particularly this year. I myself went out on a Dornier trip earlier and I was very impressed with the precision and the way the whole operation was carried out. I agree that our Justices of the Peace, as you said, are doing a very good job and they do it for nothing. It is really a community contribution much in the same way that Council does.

I think that there seem to be so many people leaving us this year in terms of older members of Government staff that maybe they can see something that I can't, I do hope not, but I join Councillor Cheek in his particular appreciation of Bill Roberts who I believe did a magnificent job under very difficult circumstances.

Sir, I beg to support the Motion.

The Honourable R M Lee

Sir, in rising to support the Motion I would, like every one else, to welcome Mrs Teggart. My goodbyes to all the people who are leaving, I follow the same lines, I agree entirely that Brian Cummings has worked extremely hard for us in his short time here and maybe not until he has gone will we miss the amount of work that he has done for us.

In welcoming people, I think there is a group of people that I would like to welcome to the Islands and that's the people from Saint Helena. We have quite a number of people here now, working in various departments, and I have heard nothing but good reports about them, the way they work, the way they behave at social functions and in general, so I would like to welcome those people. I think they are very important to us and I hope they enjoy working here and we see many more of them.

I was very pleased to see that you mentioned Agriculture fairly early on in your speech. I always complain that it gets forgotten. I think that you are absolutely right in your comments about ARC and I look forward very much to the formation of the committee that will eventually guide it in its thinking and work.

Also I was very pleased to hear the Honourable Mr Blake comment that it's high time sheep farmers organised themselves. I was going to give them exactly the same warning and exactly that. It is time they got their act together and made good use of the money and expertise that is available to them but they will not do that unless they form an association and get themselves together.

Like so many other Councillors, I've picked out a few things from your speech that are dear to my heart and I'll just make brief comment on them.

The Sheltered Homes I think are an excellent idea and it is high time we spent money on the old folk. It is very easy in times of prosperity to forget the people that got us to where we are today. Perhaps we don't think it is a good investment but we must remember that without those folks we wouldn't be here today. We must look after them because one day we will be old and we will expect people to look after us.

The wealth has brought good things to the Falklands but it has also brought inflation and an old age pensioner can't keep up with inflation and we must remember that. I was horrified today to see a bill from the butchery to an old age pensioner where for nine pounds of meat an old age pensioner paid thirteen pounds. That is an incredible price. If we are going to allow this to go on, whether we should subsidise meat I'm not sure, but we cannot allow old age pensioners to pay that sort of money for meat. It is just like saying to them sorry people you can't eat meat from now on. So we must consider very carefully the old folks in our rush to develop the Falklands and remember they brought us to where we are today.

FIGAS: we always talk about FIGAS, and your comments were welcomed but I noticed you didn't mention weekend flying so I must do that now. I think it is still a must. We still haven't got it and we still need it badly.

The Police Department: I agree also with your comments that they are overstretched and over worked, perhaps underpaid, but one thing we need to work on in my opinion is crime prevention. It is alright detecting the criminal after he has committed a crime but how about doing some work on actually deterring people from committing a crime in the first place. I think that is very important.

The Fisheries Department I do not know an awful lot about but to me it seems to work extremely well and everyone seems very confident about the way they handle the policing and so on. When we talk about fisheries, the licence fees, one comment I would make here is that whatever we decide we I think it is a good idea that we attract fishermen ashore, fishing companies, directors of such and so on, because I like to see the whites of these peoples' eyes and you won't see them if they don't come ashore. If we scrap joint ventures completely, perhaps we won't see these people and I think that is a bad thing. I think they are good people, many of them are very sincere and want to work and help us, but there's nothing better than actually meeting them on your own ground and talking to them.

Fox Bay Village wasn't mentioned. Perhaps I didn't read it or didn't hear you say anything about it but its still there and its still in need of a lot of help and people out there are still struggling to make a success of Fox Bay Village. They need a lot of encouragement and a lot of help and I think they will win through in the end so I hope because it wasn't mentioned that we haven't forgotten about them.

I agree entirely with your remarks that say that we need to put money aside for a buffer reserve. The money could run out and that would be a disaster. I think every sensible person has savings and Government is no different, we should have money put aside.

My last comment is on the pace of development. You mentioned this in your speech. I'm afraid that out on the West we can't really comment on that. In our opinion development hasn't started yet so we don't know what pace it is going at. We still desperately need better communications, we need that ferry across the Sound before we can participate in any development that is happening. It may sound a bit cynical but we can't judge the pace of development because we feel we don't really see it happening yet.

I support the Motion, Sir.

**The Honourable E M Goss MBE**

Your Excellency, Honourable Members. In standing to speak to the Motion of Thanks to your Address to Council this afternoon, as you see I tore that page off to leave what is left for me to say, I only wish as we go around the Table at times I'm either making notes of what people have not said or touched upon, or crossing out what I considered was a valid point I could bring up. But I only wish we could sometimes clap at the Table to comments made about ferries and such. It would perhaps make the afternoon more entertaining.

However we always start with hellos and goodbyes, and this time I feel there seem to be more goodbyes than hellos. And all those people that are going from whatever service they have worked in for very long periods I would like to thank them all for the services they have given. But being a farmer I understand why when people who get to certain ages rise to the pensionable sort of period in life, retire and disappear. In the farming world we cull them off, we don't even let them reach there but it's just a thing that has to happen and its going to happen to me one day and I know that.

I would like to join all other Councillors in welcoming Councillor Wendy Teggart to our Chambers. She has contributed valuably in other places already in her short stay on Council and I would also like to bring your attention, Sir, to the fact that both Wendy and I sit on the economy end of the oval Table, where I can choose whether I share a microphone with Councillor Lee or a microphone - which is a shared microphone I must point out - with the Commander British Forces, but anyway we welcome Wendy whether we've got to share and share alike at this end of the Table!

I personally was sorry to hear of the Chief Executive's pending departure after only thirteen to fourteen months in this high pressure position. I know it is a very demanding place he has, but I would have liked to have seen him with us for the next two years or to the end of his original, I suppose, agreed contract, as I believe continuity is so important in business and I believe we the Government are at the moment in business as we always have been. But at the moment it is higher pressure than has ever been.

This goes also to other departments. We've had Councillors touch on the Medical Department, the School where Mrs Murphy has done a good job, but we've got no continuity. It seems to be just in those positions for a short while, maybe the pressure is too

great in the Falklands and this happens, and personal reasons we've got no control over, but I would like to have seen the Chief Executive carry on with his good work for some time longer. Be that as it may I just thank him for what he has done for us anyway and I know that we're in the high pressured position this week and we haven't got much time.

I'm not going to make any reference to the clock now or at the end of the meeting and I'm not going to jibe Wendy on having to rise to speak, but I hope she is like me and takes the bull by the tail and says that we've got alot of other work to do for the rest of this week so I won't delay things.

I support the Motion.

**The Honourable Mrs C W Teggart**

Your Excellency, Honourable Members. In rising to support the Motion I would like to thank everyone here for the welcome they have extended to me today. I have sometimes over the last six months felt that it has been the biggest mistake that I have ever made but I would like to thank them all for their patience and their helpfulness.

I would like to wish Mr Brian Cummings and General Carlier well when they leave us shortly. I hope that they take with them some good memories of the Falklands.

Recent and impending retirements. There have been a few of them, and those people will be very sadly missed in the civil service. Particularly I would like to mention Harold and Rex, both of whom I worked for for a brief period in 1967, some 21 years ago. I believe it's men of their calibre who put the word civil in front of service and they will be greatly missed by everyone and I hope that whoever takes over from them will do as well in their positions as they have done.

One advantage of course in being last to speak from the elected Members is that they have covered just about everything before.

One department that does cause me some concern at the moment I must admit is the Medical Department. I do realise that they have a number of resident patients, all of whom need a lot of care and attention. It worries me that perhaps we are going to have to think about a separate building and separate care for them because I believe that at the present time to split the staff forces will be to split their effectiveness. But that is something that we will have to come to in the future.

I am also a little bit concerned at the time it presently seems to take to get an ambulance to the scene of an accident and the fact that an ambulance driver does tend to arrive alone with no one else to carry the other end of the stretcher which as I said does cause me some concern.

I agree very much with the Honourable Tony Blake and his comments on housing. I think that with the number of new posts being created and the number of immigrants coming in, we must be very careful to keep the number of our new arrivals down so that when

they come here they will take on our ways and our culture rather than the other way about.

I was pleased also, Sir, to hear you comment on the need for maintenance on the things that we already have. As you so rightly said, the decoration of the exterior of the Town Hall gave everyone a very welcome boost and it was very high on the list of passing remarks when you met someone on the street.

I regret with other Honourable Members the departure of Mrs Eileen Murphy from the Education Department. I believe in the short time that she has been there she has done more than any of her predecessors, not only to encourage our youngsters to stay at school but also to encourage the parents to go and talk about their problems with her.

Sir, I beg to support the Motion.

#### **The Honourable The Financial Secretary**

Your Excellency, Honourable Members. I don't quite know how I feel just at the moment but I rather have the idea that I might be a dinosaur or something like that! However I will have quite a few comments at the end of the meeting on the Motion for Adjournment to talk about a number of things, in particular about our future. I will also leave my hellos and goodbyes to the end of the meeting but I would like to welcome Mrs Teggart to the Council here and I can assure her that when we get into Select Committee she will find it very relaxing and interesting.

I do not have a vote but I encourage the elected Members of this Council to support the Motion.

#### **The Commander British Forces**

Your Excellency, Honourable Members. In rising to support the Motion could I thank you most warmly for the very generous remarks you have said about the military presence here in the Islands, and again echoed by the Honourable Member for Camp.

Well I know the House is always very anxious to press on with the business and the budget of course is looming in our minds at the moment and so it is with your permission, perhaps, that I would leave the review of the military activities to the Motion for Adjournment later on in the week. However it would be wrong if I were to pass on I think without just saying what an extreme privilege and pleasure it has been for both me and my family to have lived and worked here in these beautiful Islands over the last ten months. To experience the very renowned welcome that we have been given by the Falkland Islanders and to share in very much of the tradition of hospitality which is so evident wherever we go. And may I also personally thank you, Sir, and Mrs Jewkes for the warmth of welcome and hospitality which you have afforded to me and my family.

Now it has also been a great privilege to experience from a military man's point of view and take part in debate in

Government both in the Executive Council and in the Legislative Council. I hasten to add and to remind, perhaps, the Honourable Member for Camp that I think it is very unlikely that I shall be posted to Hungary, or anywhere like that. And so the experience I've gained here may not be put to good use elsewhere. However we shall see.

However I have come to admire, to respect and often to enjoy the debate which I have listened to and heard and taken part in, and the informed comment which the Honourable Members contribute in their exercising of democracy in these Islands, and I pay tribute now to the sheer hard work and the effort which both the Officials and the Councillors themselves put into the business of Government. This has been exceedingly impressive and in welcoming perhaps Councillor Teggart, could I congratulate you, the fact that you felt you were going to be nervous and told me you were, but there was not a tremor in your voice the whole time, and I congratulate you on your maiden speech.

And so, Your Excellency, I beg leave now to support this Motion.

#### The Honourable The Chief Executive

I too rise to support the Motion. First I should like to thank you and indeed all Councillors for the tremendously fullsome praise that they have given the public service, and in particular some of those rather longer serving members who will be leaving before the end of the present year. I have over 20 years public service in the United Kingdom and I can say having worked for the last thirteen and a half months with the public service here in the Falkland Islands that they are of the highest standard and their committment, dedication, and most important of all integrity I have seen at first hand. I think the Councillors and every one in these Islands are really well served by them.

The year ahead I think is going to be an even more dramatic one. Several Honourable Members have made reference already to the pressures on key people in Government. I must say the people that are going to have to handle the problems and issues of the next twelve months really will have a tremendous task. I think all Honourable Members know, apart from myself leaving with regret, we'll be losing the Chief Medical Officer, Chief Education Officer, the Establishments Secretary and the Financial Secretary. That will have a tremendous effect I think on the machinery of Government and I hope in fact that some of the pressures that have been exerted will be eased during the year because I don't think with the best will in the world the team that's left behind, and those that will come in to support them, would be able to carry on at the speed with which Government was working. So a little breathing space I think would be helpful. Whether that can be achieved or not is another matter.

Councillor Blake actually made a very interesting point, I felt, on communications. I think that is a most important area. We have tried during the past year to do something on that within Government itself. We have introduced a regular fortnightly meeting of Heads of Departments where information is exchanged on a corporate management system. We have appointed the Government Secretary, given him special responsibilities for Camp and

latterly with the arrival of, and I can say it after only working a few weeks with him, the excellent Alastair Cameron, with responsibility for information and dissemination of essential Government material to the media. I think we are beginning to move forward in the right way and I welcome warmly what the Honourable Members said.

We also I think have begun to accept that it is terribly important to train your young people and with moving responsibility for training into the Education Department I think we are taking a step in the right direction. The problem still remains of course of the large number of vacancies in Government and I do think actually in the last, probably three months, the pendulum has swung slightly to Government in that thanks to the generosity of Honourable Members in relation to certain pay awards, and indeed other conditions, some of the rather low salaries which have existed in the public service, are now being increased and I think that's beneficial. But of course one has to appreciate that in fact all we are simply doing is attracting people away from the private sector and as soon as that happens they will respond to it and the pendulum will swing the other way. And so no matter how much training you put in to your locals you are still I think going to require, certainly as far as I can see, some influx of people to assist in Government. I certainly believe that there is a happy blend between the professionalism which exists locally and which can be fostered and the professionalism which comes from outside, particularly in the medical field, education particularly, and also of course recently in the last two years on the fishing side with pilots and master mariners and the like.

I would just really like to say I think one further point and that's to pay tribute to General Carlier. It is easy to be trite on these occasions and talk about excellent relationships between the military and civilian communities and one expects that it's a priority of any CBF to aim towards that. General Carlier has definitely more than achieved his objective on that, but I certainly would like to pay tribute to him for his performance in bringing what I might call "the considerable number of old chestnuts" to a result. There are problems in fact which definitely have been sitting on files gathering dust for a very long time and it was due to his tremendous energy that I think a number of these can now be put away. And I would like to pay tribute to him for that.

I support the Motion, Sir.

QUESTIONS FOR ORAL ANSWER

QUESTION NUMBER 1/88 BY THE HONOURABLE R M LEE

Is Government aware that if farm workers demand wage awards on the same level as those given to many Stanley workers businesses which depend on wool as their only form of income would be forced to make many people redundant and in some cases go out of business.

**The Honourable the Financial Secretary**

Sir, Government is aware that wage increases in the local sheep farming industry at the same level as those negotiated for Government employees in Stanley could force redundancies and could cause other financial difficulties for farm employers. Your question at this stage is, I believe, hypothetical. Government is unaware at the moment of any details of any Camp wage claims.

**The Honourable R M Lee**

I thank the Financial Secretary for his reply. Government may not be aware but I am aware, and the Sheepowners' Association is aware, that there will be a wage claim and I really don't agree that it is hypothetical: it is inevitable.

**The Honourable the Financial Secretary**

I said at this stage hypothetical.

QUESTION NUMBER 2/88 BY THE HONOURABLE R M LEE

As it will be at least eighteen months before we can expect to see a working telephone system in Camp, will Government agree to provide money to purchase a number of two-metre repeaters to improve the present, very poor system?

**The Honourable the Chief Executive**

No provision has been made in the 1988/89 Budget for the purchase of two-metre repeaters. It is appreciated that there are severe reception problems in some areas, particularly in West Falklands, and Councillors may wish to consider in Select Committee if appropriate funds should be made available.

**The Honourable R M Lee**

I thank the Chief Executive for that reply and look forward to debating it later in the week.

QUESTION NUMBER 3/88 BY THE HONOURABLE E M GOSS MBE

Have any firm plans been made to repair the Fox Bay East Jetty?

The Honourable the Chief Executive

A sum of £110,000 has been included in the 1988/89 Estimates for the rehabilitation of the jetty at Fox Bay East.

Various options for the repair are presently under consideration, including a proposal from a Consultancy Company, Messrs. I. T. Power Ltd. This option would restore the jetty to the condition that it was in in 1982 before it was struck by an Argentine vessel.

Consideration has also been given by the Commander British Forces to possible military assistance but I regret to say that given the nature and effort of the work involved, and other military priorities, military assistance will not be available for this scheme.

The Honourable E M Goss MBE

I thank the Chief Executive for his full reply and I am sure that will please a lot of people at Fox Bay and on the West Falklands.

The Honourable A T Blake

I would ask the Chief Executive if he could indicate, as it really was Government's responsibility to maintain and improve or replace the jetty, whether or not any consideration has been given to subsidising the freight rates to people at Fox Bay Village in that respect?

The Honourable the Chief Executive

Freight rates are in fact touched upon in a question which will be coming up shortly and I think the Government is aware of the particular problems in Fox Bay and I think Honourable Members will wish to debate the particular subject of freight subsidies generally later during the Select Committee.

QUESTION NUMBER 4/88 BY THE HONOURABLE E M GOSS MBE

With Stanley planning receiving attention, evident in the renewing of water services, with plans to upgrade sewers, put in cable ducting and eventually resurface the roads, has consideration been given to hard standings for car parks to alleviate congestion in Ross Road, Crozier Place and John Street?

The Honourable the Chief Executive

Consideration has been given to the provision of car parking areas in the centre of Stanley. However, it is the present assessment that the only readily converted open areas of Government land are Victory Green in Ross Road, or a section of Stanley House grounds. The judgement at present is that both of these sites should be retained in their present use.

The existing sheet piling sea retaining wall between the Public and East jetties is in need of repair, and if Councillors consider it desirable, these works could be extended to allow for a promenade area northwards of the existing wall to be provided thus gaining a considerable area of land which could be used for a car park, eating areas and other public facilities.

The Estimates do include an item to cover this proposal at a cost of some £330,000 spread over a three year period.

**The Honourable E M Goss MBE**

I thank the Chief Executive for his reply but I do not agree with him on Victory Green. I do believe we could take a small section on the east end of Victory Green for parking cars of shoppers at the West Store and on the west end beneath the exchange. It doesn't need a big area to clear the road outside the Town Hall and the Bank. It is not far to walk from either of those places. I do think we should look at the possible purchase of the piece of land in front of Monty's Restaurant, which was the old Stanley Arms site, and already is a hard standing laid down by the Army, and another site in Crozier Place in front of the stone building at the end, used or occupied by KSJ, could be made into a hard standing for a car park. There is another piece of ground in front of the Globe which should be looked at and those little areas could possibly be purchased for that purpose, but we can discuss this in another place at another time.

**The Honourable J E Cheek**

Your Excellency, I think the last Honourable Member more or less covered the question I was going to ask but would it not be cheaper in fact to try and buy some privately held property to use as a car park? I believe it could be bought much cheaper than the one third of a million that the Chief Executive was talking about.

**The Honourable the Chief Executive**

With reference to the points made by the Honourable Members for Camp and Stanley it is good to see at least on one issue the Chief Executive is exactly on a par with Councillors, because I did in fact ask the question should it not be Government policy to purchase land when there is insufficient available for car parking. I have been advised that it is not current practice but I think that we will have to look at that again in the light of the remarks made by Councillors and, in particular, we will bear in mind the various other suggestions that the Councillor for Camp made.

**QUESTION NUMBER 6/88 BY THE HONOURABLE C D KEENLEYSIDE**

Can the administration confirm that no problems are being experienced by the Falkland Islands Government staff in the KEMH when requesting pharmaceutical supplies? I refer in particular to medicines for children and elderly residents.

**The Honourable the Chief Executive**

I regret to say that there have been problems over the supply of all medicines to the KEMH during the past month or so and indeed in an earlier period immediately after the hospital opened. The principal reason, but not the only one, for the present problem was the late arrival of the MV Asifi. Steps have now been taken between the military and civilian medical authorities to ensure that stocks are adequate to meet all normal requirements.

**The Honourable C D Keenleyside**

Would the Chief Executive accept that the normal military system caters for what I would call young, fit people and does not normally cater for children nor elderly residents, and it is in this particular area that most concern is expressed?

**The Honourable the Chief Executive**

There were problems in fact with the drugs right across the board and not specifically related to children and elderly residents, and I think in fact the military authorities have been aware of the civilian requirements and it was more a logistical failure rather than an awareness, or lack of awareness, of the problem. But I think that the steps that have now been taken should ensure that there is no repetition in future.

**The Honourable C D Keenleyside**

Thank you. I look forward to an improvement.

QUESTION NUMBER 7/88 BY THE HONOURABLE C D KEENLEYSIDE

Can the Chief Executive give an assurance that the Falkland Islands Government contracts which are to replace OSAS contracts will be competitive? Can an indication be given as to how many FIG contracts, to date, have been taken up?

**The Honourable the Chief Executive**

Sir, I think I can give the assurance sought by the Honourable Member. To date two FIG contracts have been taken up and a third is expected to be signed when the officer concerned shortly completes his current ODA contract. In addition, indents for five posts for ARC have been placed with the Crown Agents and the present Team Leader is confident that the terms will be competitive and will attract good applicants.

Two serving officers in the Medical Department have declined the offer of FIG contracts, but the extent to which this was the result of the terms and conditions of the contract, or other reasons, is unclear.

Honourable Members may be assured that the competitiveness of FIG contracts will be kept under careful review.

**The Honourable A T Blake**

Sir, could the Chief Executive indicate whether we have been unable to fill any posts as a result of offering FIG contracts?

**The Honourable the Chief Executive**

No, Sir.

**The Honourable J E Cheek**

Your Excellency, I am slightly confused about the use of the word "competitive" there. Can the Chief Executive say whether the salaries offered to the overseas staff under the replacement of the OSAS will be competitive with local salaries? That is how I first understood the question but it could well have another meaning so could I ask it in that context please?

**The Honourable the Chief Executive**

I certainly regarded the word "competitive" in the context of the question as relating to our ability to attract people from outside the Islands. In relation to the comparison with local salaries the situation obviously is different and we have a current situation where there are substantial differences in the levels between expatriates who are filling particular posts and locals. It certainly is a view of Government that the differential between local and expatriate salaries should be narrowed and we believe that the FIG contract which has been drawn up will enable us to close that gap.

**The Honourable J E Cheek**

Your Excellency, my main concern was that we should in fact retain our own people. When the Chief Executive says that he hopes the difference will narrow, can we hope that that will narrow to zero in the very near future? I must point out that I realise that there probably will be some differences to attract people from overseas but I am talking here about the basic salary for the same qualified job.

**The Honourable the Chief Executive**

I think in fact we can say that we will be moving towards salary levels broadly comparable in terms of the basic salary. The method of resolving the situation of attracting expatriates to the Islands can be tackled by other payments, such as gratuities and so forth, and I hope we could move fairly quickly to almost total elimination of differentials between locals and expatriates on straight salary terms.

**QUESTION NUMBER 8/88 BY THE HONOURABLE C D KEENLEYSIDE**

Can the Chief Executive give an indication of the level of rent for properties on the Jersey Estate when completed?

**The Honourable the Chief Executive**

Sir, completion of the Jersey Estate is still almost a year away and I am not yet able to give an indication of the level of rents to be charged. Government do intend, however, to initiate a general review of housing policy in the next 12 months and levels of rent and the structure of rents will form part of that review.

**QUESTION NUMBER 9/88 BY THE HONOURABLE L. G. BLAKE**

Would the Chief Executive explain to Council what the aim was in transferring MV Forrest to Coastal Shipping Limited? Was it to improve the profitability of Coastal Shipping Ltd or to improve the freight service ?

**The Honourable the Chief Executive**

Coastal Shipping Ltd is a non-profit making company and any surplus made in a financial year is used to hold down freight rates in the succeeding year. The charter of MV Forrest to Coastal Shipping was not intended to improve the Company's profitability as such. The charter was, and is, intended primarily to improve the freight service by placing the Forrest under the same management as the Monsunen. There is obviously scope for rationalising the services being provided by the two vessels and whilst admitting there has been some teething troubles with the Forrest since the charter arrangements began Government is hopeful that the benefits of the charter will become increasingly apparent in the months ahead.

**The Honourable L G Blake OBE JP**

Can the Chief Executive give Council an idea as to what level of input the Falkland Islands Government has into the management of the shipping organisation?

**The Honourable the Chief Executive**

The Falkland Islands Government has two representatives on the Board and I think they are in a position to adequately influence the management of the Company.

**The Honourable L G Blake OBE JP**

May we then, Sir, assume that with their influence we will shortly get beyond the state where both vessels are required immediately after arrival of the charter vessel to service those properties which belong to the FIC or its subsidiaries.

**The Honourable the Chief Executive**

I note the Honourable Member's remarks, Sir.

**QUESTION NUMBER 10/88 BY THE HONOURABLE MRS WENDY TEGGART**

Many parents have expressed anxiety about the safety of their small children considering the lack of pavements in the town at the present time. Do the administration have plans to re-introduce a school bus service?

**The Honourable the Chief Executive**

I regret to give this response to the Honourable Member as it is her first question but Government has no plans at the moment to reintroduce the school bus service.

**The Honourable Mrs Wendy Teggart**

I thank the Chief Executive for that reply. In fact since I submitted this question I have noticed that the Police have placed "No Parking" markers outside the school. I hope they will remain there which will help a little with the problem.

**QUESTION NUMBER 11/88 BY THE HONOURABLE MRS WENDY TEGGART**

Is it possible to have an update on the situation regarding the Penguin News, considering that Government has contributed a substantial sum of money towards its future?

**The Honourable the Chief Executive**

The Falkland Islands Government has indeed purchased equipment to the value of £24,600 which has been made available to Penguin News free of charge and, in addition, there is an annual subsidy of the cost of paper.

The equipment has been installed in the old PSA offices on Ross Road and it is anticipated that the first edition will appear on 3rd June 1988.

Unfortunately, Penguin News faces a major problem in that its existing accommodation will be required for the Post Office whilst major works are carried out to the main structure, and Penguin News has been advised to vacate their present accommodation by mid-July. So far, I understand, they have not yet found entirely suitable alternative accommodation.

It is anticipated that until the accommodation problem is resolved we will not be getting a regular publication.

**The Honourable Mrs Wendy Teggart**

I thank the Chief Executive for his reply. I am sure you will understand my concern as, with all due deference to FIBS, Penguin News is the only means that the public really have of stating their opinions in the Falklands. I feel that it is most important they are given every assistance so as to enable them to publish on a regular basis.

**The Honourable C D Keenleyside**

Would the Chief Executive like to comment on the fact that the other end of the building in which the Penguin News is presently situated is in fact being considered to be rented out without it being offered to the Editor of the Penguin News?

**The Honourable the Chief Executive**

I am not entirely sure of the position in respect of all the people who have expressed an interest in the PSA accommodation. I do know there has been some interest from outside parties but I am afraid I cannot comment as to whether or not Penguin News had expressed an interest. The Government does share the concern that the Honourable Member for Stanley has raised about the lack of the printed word and I think it is very important in an island community that it should be available. I know the representatives

of the Company have been concerned that they have been unable for a variety of reasons to publish and we hope that will be resolved fairly soon and we look forward to a high standard of publication.

**The Honourable T S Betts**

Your Excellency, would the Chief Executive confirm for the House that although FIG has given a grant to the paper for materials and equipment that it will in fact have no influence over its staff or its content?

**The Honourable the Chief Executive**

I can give that assurance categorically.

**QUESTION NUMBER 12/88 BY THE HONOURABLE MRS WENDY TEGGART**

With plans having been decided for the Stanley Swimming Pool, can the administration inform us when the work will be put out to tender?

**The Honourable the Chief Executive**

Tenders were invited on 29th April 1988 from a number of selected contractors in the UK for the design and construction of the Stanley Swimming Pool.

The tender closing date was 31st May but has been extended to 13th June and a recommendation is expected around the end of June.

**The Honourable Mrs Wendy Teggart**

I thank the Chief Executive for his reply. That is very satisfactory.

**The Honourable R M lee**

Could the Chief Executive explain why it is not possible to make these tender dates public in the Falklands so that everyone knows exactly what is going on?

**The Honourable the Chief Executive**

I thank the Honourable Member for his comment. Obviously the information is now public!

## MOTIONS

**Motion by the Honourable the Chief Executive for the reconstitution of the Education Committee:**

BE IT RESOLVED in accordance with Standing Order 40(a) that the Education Committee be reconstituted and that the members shall be:

The Honourable J E Cheek (Chairman)  
The Honourable C D Keenleyside  
The Honourable R M Lee  
The Honourable E M Goss MBE  
The Honourable T S Betts

and that the quorum for meetings of the Committee shall be three.

### **The Honourable the Chief Executive**

The Education Committee was last formally constituted by a motion in this House in May 1987. This motion proposes the formal reconstitution of the Committee in accordance with Standing Order 40(a).

The membership stated in the Motion is the same as when the Committee was last constituted. Owing to a lack of time there has been no opportunity to consult the Honourable Members named in the Motion with regard to their continued membership of the Committee, but if any Honourable Member does not wish to continue to serve he may state his objection at this point in time.

The motion also proposes that the quorum for meetings of the Committee be three. At the May 1987 meeting it was agreed that any quorum should consist of one member from the Camp Constituency, provided that the work of the Committee is not held up.

I beg to move that the motion be adopted.

The motion was adopted as Tabled, but with the insertion of a proviso that there should be present one member from the Camp Constituency, provided that the absence of a member representing the Camp does not delay the work of the Committee.

## ORDERS OF THE DAY BILLS

### THE APPROPRIATION (1988/89) BILL 1988 (Introduced under a Certificate of Urgency)

The Honourable the Financial Secretary

Your Excellency.

This is my 18th and the last Budget that I will be presenting to the House. During the last 40 years in the Treasury I have seen the Estimates of Revenue grow from £98,764 in 1948 to over £30m in 1988 and Expenditure from £131,226 in 1948 to over £25m in 1988.

The Draft Estimates have again been produced to enable ample opportunity for them to be examined and the completion of the processes required for the 1988/89 Appropriation, well before the commencement of the new financial year. This is the third successive year that we have been in a position to produce the Draft Estimates well before the end of the financial year.

Some changes have been made in preparing the 1988/89 Estimates. The Estimates are shown in two parts. The first part shows the operating revenue and expenditure and the second part capital revenue and expenditure. For the first time Heads of Departments have made revenue and expenditure projections. These projections have been made for the two years immediately following the 1988/89 Estimates.

Before giving any details of the 1988/89 Estimates I will briefly review the Government's financial affairs for 1987/88. Revenue was forecast at £23 million. The revised estimate of revenue is £27 million which is £4 million more than estimated. The additional revenue has largely accrued from fishing licences and transshipment fees. Receipts from both company and personal tax were also higher than forecast. Expenditure for 1987/88 was estimated at £22 million: it is now forecast at £25 million which is £3 million more than estimated.

The expenditure estimates would have been higher had it not been for the decision taken not to purchase the Dornier aircraft outright but to continue with hire-purchase terms. The substantial increases in expenditure throughout the year are attributable to many factors, for example the purchase of FIPASS, new premises for FIGO in London, services to new housing estates, helicopter flights, repair of generator set, operating costs of FIPASS, legal fees for CTC/Taiyo arbitration, subsidy to Coastal Shipping Ltd, aviation consultants costs, fisheries scientific budget, assistance to Falkland Mill and harbour safety cover. All were unforeseen at the time of preparing the Estimates.

However, we had budgeted for a surplus for 1987/88 of £800,000; with the higher revenue the surplus for the year should now reach £2.3 million which is an improvement of £1.5 million.

At the end of June 1987 we had £10.5 million balance in the Consolidated Fund. With the surplus of revenue over expenditure for 1987/88 and with the transfer of the balances to close the Development Fund and Oil Stocks Replacement Fund the balance of

the Consolidated Fund at the commencement of the new financial year should stand at £17.2 million. This is approximately the equivalent of eight months planned expenditure in 1988/89.

The Economist Mr Peter Pryn has advised and assisted in the production of this year's Estimates and I am grateful to him for his assistance. In his paper entitled "Background to the Budget" Mr Pryn advises and I quote -

"Another important impact of the increased wealth of the Falkland Islands has been on the flow of aid funds. Since the Conflict in 1982, an average of £8 million a year in aid has been directed into the economy. This will cease completely by 1992 and be very substantially reduced in the meantime.

Thus, the role of the Budget for 1988/89 must be seen as setting the scene for financial self-sufficiency in the face of mounting inflationary pressures, while at the same time designing a programme of development which will consolidate and sustain the economy in the future. All this must be achieved within the constraint of revenues which, while much enhanced in earlier years, are still finite and limited.

In order to achieve these objectives, it will be necessary to exercise a strict control over current expenditure so that a surplus on current account can be earned sufficient both to build reserves and finance a development programme carefully designed to achieve desired objectives over a period of years.

For these reasons, it is proposed to budget for a current account surplus of at least £9 million a year for the next three years and to confine Development Expenditure (including financing the Falkland Islands Development Corporation) to a maximum of £8 million a year. This will permit the transfer of between £1 and £2 million a year to reserves."

The Budget for 1988/89 has been designed on the recommendations made by Mr Pryn, that is the Estimates as presented to the Council show a surplus of revenue over expenditure of £2 million plus and limits capital expenditure to £8 million.

Operating revenue for 1988/89 is estimated at	£27.3 million
Operating expenditure for 1988/89 is estimated at	17.3 million
	----
Leaving a surplus of	£10 million

of which £8 million is estimated for capital expenditure leaving a net surplus of just over £2 million for building up the reserves.

Your Excellency, at this point I must hastily add that some adjustments will need to be made to the proposed 1988/89 Budget to take into account the additional revenue from fishing licences which you referred to in your Address earlier at the meeting. I understand that the additional revenue is likely to be in the region of £7 million for 1988/89. The necessary adjustments to the Estimates will be made during the course of the Select Committee Meeting. It is proposed that the bulk of this additional revenue which will accrue to the Consolidated Fund should remain in the fund thereby increasing our reserves.

Mr Prynne has produced a plan of capital expenditure for the next five financial years and some important developmental and social projects are included. The capital Budget provides for total expenditure of £8 million. It includes four categories of projects:

Firstly for the completion of projects and programmes under way;  
Secondly for initiation of approved projects and programmes;  
Thirdly new Projects; and  
Fourthly for projects to be funded from external aid.

Mr Prynne's capital programme is at a level which he considers consistent with the ability of the Falkland Islands Government to implement projects and prudent in relation to likely available resources.

A wide range of capital projects from our own resources is planned. The largest single slice of the £8 million for 1988/89 is for housing. A total of £2.4 million is provided towards completion of the various housing projects under way. £900,000 is provided for the proposed Swimming Pool. The first £200,000 of a half million pound project for improvements to Camp Airstrips is included in the 1988/89 Estimates. Provision is made for the purchase of one farm for on sale. A quarter of a million pounds is provided for the refurbishment of the new Falkland Islands Government Office in London.

Provision is made for the continuation of the assistance to farms for the Camp Link Road Programme and provision is also included for improvements to the Jetty and Water Supply at Fox Bay and for the recreation building. An allocation of £700,000 is made for farm and housing loans. The completion of the Stanley Fire Station is provided for and provision is included for a number of improvements at Stanley Airport.

£150,000 is included for the Junior School Extension, £200,000 has been provided for Camp Telecommunications. It is now understood that the £2.3 million projected for 1989/90 and 1990/91 will be required in the 1988/89 financial year and Honourable Members may wish to consider allocating to this project some of the additional estimated fishing revenue which I referred to earlier in this speech. Provision is made in 1988/89 to commence funding the Falkland Islands Development Corporation.

It is proposed to utilise the £1 million available from the European Development Fund for Camp Tracks. Provision is also made for the continuation of the Estancia Road.

The programme of Capital projects should continue to improve the infrastructure and the quality of life of the people throughout the Falklands. I am sure that Mr Prynne did not find it easy to select the priorities but Councillors I believe will wish to review his programme and be guided by Government's responsibility towards all sections of the community both in the Camp and in Stanley.

Honourable Members are aware of the wage awards to Government hourly paid employees during the year varying from approximately 18% to 30%. Following this award the Civil Servants' Association made representations to Government and after negotiations with the Association and Government representatives a 21% award was

agreed. Provision is made in the 1988/89 Estimates to implement the award with effect from 1st July 1988. The new salary scales are shown on the second page in the Estimates.

Requests from Departments for new posts in 1988/89 have been subject to close scrutiny, but additions in some areas are inescapable. Government is concerned about the number and cost of new posts. They represent an increasing long-term commitment against public funds. Honourable Members will be given the opportunity to discuss this matter in Select Committee.

It is customary to increase Government Service Pensions every two years and taking into account the awards to the hourly paid and civil servants it is proposed to award 20% to pensioners who retired before 1st July 1977 and 10% to those who retired on or after that date.

This year it has become necessary to make provision for supplements, passage costs, appointment grants and education allowances for new contract officers owing to the withdrawal of aid under the Technical Co-operation and Overseas Service Aid Schemes.

One important item of expenditure included in this year's budget is for increasing the subsidy to Coastal Shipping Ltd to £150,000 per annum for reducing internal freight rates.

It is proposed that the non-taxable monthly child allowance be increased from £25 to £30 per month (20% increase) and the single parent allowance from £20 to £25 per month (25% increase).

Provision is made in the Budget for increasing non-contributory Old Age Pensions with effect from July 1988:

Married couples from £43 to £51 per week (18.6% increase)  
Single pensioners from £31 to £37 per week (19.35% increase)

Bills will be introduced later during the course of this meeting to implement the family allowances and non-contributory Old Age Pensions increases.

Although not strictly part of the Budget proposals I will also be proposing increases in Contributory Pensions which are not payable from public funds but are borne by the Old Age Pensions Equalisation Fund.

It is proposed to increase contributory pensions as follows:

Married couples from £50 to £59.00 per week (18% increase)  
Single pensioners from £33 to £39 per week (18.18% increase)

Proposals are included in the Bill to increase the weekly contributions payable to the Fund in order to finance the pension increases. These proposals are in accordance with advice received from the UK Government Actuary.

It is proposed to increase the employees contribution from £2.85 to £4 per week. Employers contribution from £4.25 to £6 per week. Self-employed from £7.10 to £10 per week. The calculations have been made taking into account the £1m which was paid to the Old Age Pensions Equalisation Fund this year.

The estimates provide for a subsidy of £58,000 from Government Revenue to the Old Age Pensions Fund for 1988/89.

Provision has been made by Departments for increasing contributions to the Plant & Vehicle Replacement Fund to replace vehicles every three years.

I turn now to the question of revenue.

It is proposed to increase Government House Rents by approximately 10% from 1st July 1988. Standing Finance Committee will consider increasing Stanley Rates next month. Details of any adjustments will be announced after the June meeting.

It is proposed to review fishing licences and increase the transshipment fees from £1,500 to £1,750.

It is proposed to increase Harbour Dues.

It is proposed to review the charges for services throughout the year. In this connection I refer to two important areas. The electricity tariff which will be considered in a few months time when more information should be available to reassess the tariff.

Consideration will be given to revising FIGAS air fares after a study of the air service has been completed by the new manager of FIGAS.

I introduced a new tax reform towards the end of last year and I had not intended to have introduced another this year. However, it has been suggested that there should be further changes to personal taxation. It was suggested that personal tax could be decreased by increasing other revenue items.

The other revenue items are limited but I propose the following modest measures:

It is proposed to increase the import duty on beer from 15p to 16.5p per litre which is approximately 1/2p per can.

It is proposed to increase the duty on spirits from £5.81 to £6.10 per litre. That is approximately 21 1/2 pence per bottle.

It is proposed to increase the duty on wines from 38p to 42p per litre, approximately 3p on standard bottle.

It is proposed to increase the duty on fortified wines from 46p to 51p per litre, approximately 3.75p per bottle.

It is proposed to increase the duty on Tobaccos and Tobacco Products as follows:

Cigars from £23.32 to £30.32 per kilo. That is about 6 1/2 pence per 10 cigars.

Cigarettes from £16.86 to £21.92 per kilo. That is 30% which is 8 1/2 pence on a packet of 20 Benson & Hedges.

Tobacco from £15.33 to £16.86 per kilo, which is 7 1/2 pence on a 50 gram pouch.

The revenue from the modest increases in duty will go some way towards balancing the following personal tax reform:

I propose that the personal deduction to which all taxpayers are entitled be increased from £2,500 to £2,750.

It is proposed that the Allowance for a wife be increased from £1,500 to £1,750.

The 10% earned income relief introduced last year to remain unchanged.

Wife's earned income relief from a maximum of £2,500 to a maximum of £2,750.

Relative in charge of children to be increased from £800 to £920.

Dependent relative from £800 to £920

Old Age relief income ceiling from £5,000 to £6,000.

The present rates of personal tax are as follows:

On the first £10,000 of chargeable income	25%
" " next £ 5,000 " " "	30%
" " next £10,000 " " "	40%
Remainder	50%

It is proposed that these rates be replaced with the following scale:

On the first £10,000 of chargeable income	25%
" " next £10,000 " " "	30%
Remainder	40%

To give some indication of what this tax reform will mean to your tax bill I have selected some sample incomes:

<u>Annual</u> <u>Income</u>	<u>Married Man</u>		<u>Single man</u>	
	<u>Present</u> <u>Tax</u>	<u>Proposed</u> <u>Tax</u>	<u>Present</u> <u>Tax</u>	<u>Proposed</u> <u>Tax</u>
	£	£	£	£
£5000	125	-	500	438
£10000	1250	1125	1625	1563
£15000	2375	2250	2800	2750

The Attorney General will be preparing the necessary legislation for this reform to be formally considered by the House before the new tax year which commences on 1st January 1989.

I am grateful to Heads of Departments for Co-operating and assisting in the production of a balanced budget. It is I believe important to build up our reserves and I look forward to the day when my successor announces that he has reserves equivalent to at least two years expenditure.

I am delighted to present the Government's budgetary proposals for 1988/89 and I commend them and the policies which underlie them to Honourable Members for consideration.

I beg to move that the Bill be read a first time.

The Bill was then read a first time and on the Motion for the second reading Honourable Members spoke as follows -

The Honourable L G Blake OBE JP

Your Excellency, Honourable Members, I wonder with his departure whether the Financial Secretary hasn't framed some of his budgetary proposals purely and simply to provoke me into speaking; however I will deal with that in due course.

He mentioned that the development proposals in the budget are designed to upgrade the quality of life in these Islands and with this I would agree. He also said that we must be prudent and be careful with our expenditure, and if one examines conditions in the Islands today, I won't go back quite as far as 1948 because I wasn't here then, but with those of 25 years ago, what changes can we actually see? With regard to air communications, we have aeroplanes on wheels instead of floats; with regard to sea communications, we had two boats then, we have two boats now. With regard to Camp tracks, 25 years ago, possibly 30 years ago, we had probably better tracks than we have today, generally; we'd just completed a Camp tracks improvement scheme. If we look at the town, the roads 25 years ago were certainly better than they are today, the lights still worked, water still ran - so, what have we done? And I would therefore urge Councillors not to be too careful in their assessment of the budget development proposals, because we really ought to be able to do a little bit better than we have done to date and until we have actually produced something worthwhile, then filling the reserves isn't going to do anyone any good whatsoever.

From the general, Sir, I would like to move to the more particular. As a side issue to the budget, of course, we have the changes in pensions and contributions. I'm not sure when we had our last actuarial review but I haven't seen one for three years; I don't doubt the Financial Secretary's word, I would hate to give that impression, but I would like to know what he's basing his figures on because he's even more prudent than the most prudent efforts of our current Financial Secretary, and I will question them.

I notice from one of the Memoranda that accompanies his budget and the development breakdown, that we have an item there "Development of Snake Hill Housing Site". I think about 18 months ago/two years we had such a development tabled, which was finally not proceeded with because of local feeling on the subject, and I must admit I sympathise to a certain extent with that feeling in that while we have a lot of land in the town, all as well or better serviced than the Snake Hill site, half of it derelict, I can see no justification for using up what could be an extremely attractive area for housing development because it happens to be convenient to a current builders' camp or something: that's one item I would like to raise.

And further, one other point I have to come up on, are the duties. We were told that it would help in some measure to offset the budgetary concessions; I think to a large degree, as I said last year when a similar sort of duty change was proposed, more than offset them, it would totally drown them. The amount that we are going to raise by implementing them is going to be

minuscule and the nausea is going to be considerable. And I start, Sir, first of all, with a query - and it is an absolutely serious query - as to why in the duty changes it has been considered necessary to up the duty on cigarettes by 30% where the other duties are upped by 5 or 10%: I leave out my personal interest, I do not smoke cigarettes, but I ask this in all seriousness. I do not believe it is necessary, I believe that such measures are counter productive.

There is one item which is not actually included in the budget which I would like to raise, and it has an aspect of personal interest in that I am affected. In our allowances there is no provision for an individual or parent to recoup the private costs of education or training. If you wish to go on for higher education, and you don't wish to pay for it yourself, the pupil is funded by the British Council; they are then funded through their course and bonded to return to the Islands immediately. No work experience, no experience anywhere else. And I wonder whether this is the only way that we should be financing education and training, and I would ask that in the formulation of future budgets some consideration might be given to allow parents a degree of choice in their education and training fields so that it isn't Hobson's choice but if you wish to go outside the system then it's going to cost you; but I don't feel that it should cost you everything.

The Honourable J E Cheek

Your Excellency, Honourable Members, the first thing that struck me was that I see our Financial Secretary started in 1948, I'm surprised in fact that people were allowed to start at what must have been a very young age. The other thing that surprised me was that this is the first time since I've been here, in fact going back long before that, because I listened to these budget sessions for a long time, that Mr Rowlands has not mentioned a "windfall"; it's very surprising and presumably because of all the extra money we are now getting from fisheries. But to be slightly more seriously, Sir, I won't mention again everything that we'll cover in the next week: looking at all the papers we have on this one Bill I think it comes to something like one inch in thickness, so we'll plough our way through that next week.

But I think there are one or two points that we should highlight. Firstly, something in fact that wasn't mentioned directly by the Financial Secretary but that is the ODA funds that we are still getting, we still have two or three million pounds due, and the matter of where that goes. Someone else earlier mentioned that we might be using some of that for the Senior School and the restrictions that that may place on how we use the Senior School, or how it's built, or whatever. And I was wondering in fact if those ODA funds, Sir, I must admit I'm cribbing this idea from you yourself, should not be used to pay for FIDC for the next two or three years. It may well be that that would make life easier for us, it can all go in the one direction and we don't have to worry about ODA control over other things.

That leads nicely on to ODA funds for training and education, although it's the British Council who actually control it, it is

ODA funds and if those ODA funds were used for FIDC of course that would mean that in future it would be our funds that would be funding education. And whereas in the past some of us have tried to have British Council continue to pay for those children who want to go to schools other than the one that we recommend, British Council and ODA would not allow that; of course in the future we could do what we wanted with our own funds, and if the feeling of this Council was that children should be paid for who choose to go to the non-Falkland Islands Government recommended school, then it could well be done.

I can move on from that to another point that comes out regarding the control of Government funds. I think this in a way is part of the budgetary process. I am quite happy that the control of the funds themselves, is done properly, although I think we must recognise, and it may well have been brought up this morning, that some of the recovery of monies owing to the Government are a bit behind; but what does worry me is I believe that the control of Government stocks and stores is nowhere near as good as it should be, in fact I think it should give all of us considerable concern. There are no records kept and I do believe that probably some of those stocks and stores are almost certainly being pilfered, in fact probably if we go further than that I think it's fairly well known that some of the stuff that came in from Mount Pleasant was being stolen from the containers it was contained in. So hopefully, Sir, in the next year some way of controlling our stocks etc can be implemented.

Talking about development, I think it's slightly unfortunate that one member was trying to drive a wedge almost between Stanley and Camp. I believe that Camp may not have had its full share but a considerable amount of development has been going the way of Camp, directly or indirectly, in the last year or two, the last few years, there was one million pounds for the children's hostel, for example, another £2.6m earmarked for the telephone system for Camp for next year; but I don't think we should really point out the differences so much, I don't think that's all that important, and I think all of us will eventually get a fair crack of the whip of the development money.

I must say that I disagree with the last Member to speak and say that I believe that our reserves should be built up. Before the changes that you mentioned this morning regarding the joint ventures I was going to suggest that we should retain at least 10% of our income each year for reserves following the additional £6/7m or whatever it may be from the joint venture, or what otherwise would be joint venture fees. I would like to increase that to 20% of our income per year, which would give us I believe in the region of somewhere between £6m and £7m a year. I don't think that's excessive, it still allows us development funds of around about the £7m or £8m which I believe, again as you pointed out this morning, Sir, is probably as much as we can spend, and I totally agree with you that we should not be talking about development funds where we cannot conceivably spend them. It does lead to people believing that nothing will in fact be done over the next year because so many things will have to be put off because we do not have the people to do this development.

One last thing, Sir, although we've removed the joint venture fees from this coming year, and as someone mentioned that the public do not receive enough information from us, they might be

interested to know that over the last two years of the joint venture system, joint venture companies where the partner to Stanley Fisheries is from the United Kingdom, have received over the last two years ten and a quarter million pounds, which I think has been fairly generous for these Islands. Sir, I support the Motion.

**The Honourable E M Goss MBE**

Sir, I thank the Financial Secretary for his delivery to this Council. I'm going to keep this brief. I'm going to touch on subjects which have always been dear to my heart. I approve and support all reductions in income tax, I disapprove of the increase in duty on beer, wines and spirits. I am not fussed about the health hazard in tobaccos or cigars or cigarettes, I don't fully support Councillor Tim Blake in this area, but I would like to see a reduced duty on these items to Camp residents. Like on board ships, make it duty free. I don't know how it would be controlled, but it could be a way of making life in the Camp more attractive - well, in one element at least. And maybe I can at this stage go back to look at the Income Tax: we should perhaps extend my thoughts to a two-tier income tax structure in the Falklands which would favour the agricultural workers outside of Stanley.

**The Honourable A T Blake**

Your Excellency, in rising to speak to a very forcefully put budget, I think probably the most forceful I've heard from you, Harold, over the period, you are obviously making the best of your last opportunity. I would however hope that the £900 you've promised to the Swimming Pool is in actual fact £900,000. Otherwise we're in for a 25 centimetre pool instead of a 25 metre one!

I welcome of course and was somehow instrumental in bringing forward the £2.3m you mentioned to do with Telecommunications in Camp, and I should like to quickly point out to my Camp constituents that this means we are bringing forward virtually two years the implementation of telephone systems into Camp, and it's only through of course so-called "windfall" income that we are able to do this and I hope that the people we have trusted to carry out these improvements will be able to proceed as fast as they possibly can.

I heard remarks today regarding Snake Hill and its future developments and I also share concerns about that particular area; I think it is far more suited in actual fact to an adventure playground rather than a building site. I think the cost in actual fact of putting services in to that area are going to be immense and I would much prefer to see the money spent on a progressive development situation where we can put a large number of houses over a large number of years. I rather feel, and I think the economists fought me in this area, that little bits of development, building development, always involve very high costs for supplying services: the bigger the area which you can put the services into, the cheaper it would become. I think we ought to

perhaps look at this particular area very very carefully in the way we develop.

I was of course instrumental in supporting initially the increased duties on alcohol and tobacco. I of course object very strongly under all circumstances to beer, spirits and wines being increased and while I'm not offended by people who smoke, I am not particularly perturbed about the duty in that particular area; I rather feel that some of the noisiest people who object to smokers are born-again non smokers. But Sir, I would point out that of course these measures were taken without the possibility of the extra money we were going to get from the combining of the joint venture fees with the fishing licences. I rather do feel now that this has eventuated, together with the other windfall income which the Financial Secretary has very carefully forgotten to mention, and that is the matter of fines which have been imposed in recent months on careless and somewhat incompetent fishing Captains who rather thought they might take on our fisheries patrol vessels to their detriment. And I rather feel that this windfall income that we have from both those areas should in actual fact in some way be utilised to benefit all Islanders and so really, Sir, I must give formal notice that I will be opposing the introduction of the said duties in this paper, in view of the obvious windfall income we're going to get for the coming year.

I beg to support the Motion.

**The Honourable R M Lee**

Your Excellency, very briefly to support the Motion, one point I would like to make is that this is really the five-year budget on development, in my opinion we are spending far too little on Camp, I think that's a well known opinion, but a thought that's occurred to me is that most money that we'll be spending in the next five years will be on housing. Now I estimate there's probably 50 houses in Camp at least that no one lives in. I also estimate that to build a new house in Stanley with all the services will probably cost about £200,000. My argument is, if we develop the Camp, by road systems, better air travel, the ferry, many people that are forced to come to Stanley to live now could continue their businesses and way of life in the Camp. And if we re-occupied those 50 houses we would save about 10 million pounds on those prices. We'd have a better life in Camp, the place would develop and the Falklands would be a better place. But it appears to me that we are hell bent upon building houses in Stanley and attracting even more people, or even forcing people, to come and live in Stanley, and that's a point I would like to make and it's the basis of my objection to the lack of money that we intend to spend in Camp and in my opinion the overdoing of the housing situation in Stanley.

I wish to support the Motion.

**The Honourable C D Keenleyside**

Your Excellency, the Appropriation Bill is always I think the

most interesting Bill of the year and some of the interesting things in it to me are often the things that don't cost a lot, smaller items that perhaps make a lot of difference to people. One of these is for example the children's playground and renovation of it, and I think that is money that is extremely well spent. I was very interested to hear Councillor Goss's suggestion about duty for the Camp. I think that if such a move went ahead, then Fred Clarke definitely built in the right place after all!

The electricity supply: I see there is provision for a new generator after this one and I am delighted to see that, having been instrumental in getting the last one bought.

Also something that we decided at last is going to happen is changing the position of the rubbish tip, I see that's actually allowed for, which I am delighted to see. I also agree with the two other Members when they if you like condemned the idea of using Snake Hill for a housing estate; I tend to very much agree with that point of view. It's been put to me about the adventure playground idea - I think that's a good idea, because if we just go ahead using up every little green area in the town, then the town is going to be not what we want it to be.

I am also delighted to see the idea of Stanley roads actually being done up next year. I know it's not this year but at least it's something to look forward to. And I also agree with Councillor Cheek when he suggests that the ODA funding could be used to fund FIDC: I think that's an excellent idea, and I certainly hope that we'll be funding the school and without any outside interference.

I beg to support the Bill.

#### The Honourable Mrs W Teggart

In rising to support the Motion I would like to welcome the proposed reduction in personal taxes, but I feel that that's very good for the lower paid workers but I always feel that there is one section of the community who we miss out when we are looking at taxes, and that is the one parent family. For example, if you have a man who has two small children to support, then he isn't in quite the same position as a married man who can claim so much money for his wife, and in fact it hits him a lot harder than a lot of the other people because he usually has to pay somebody, not necessarily a relative, for looking after his children. And I don't think we make enough allowance for that. The proposed increase, I feel, for one parent families doesn't go far enough to support that.

Like other Members who have spoken about the Snake Hill housing estate, I am also very much opposed to that. I feel that we are trying to cram too much into too little space too soon and one day we are going to wake up and walk out of our back doors and there's going to be nothing there. I feel that if the town has to expand now is the time to really plan which or where we are going to expand and really do it properly before we just take up every available amount of land. Our children can't after all play on the Bypass.

I also disagree quite strongly with the idea of raising Government house rents, particularly as houses get older. I'm thinking in particular of the Police Cottages, which are rather mouse infested with antiquated plumbing. I feel that unless something more can be done to maintain the Government houses that we have, and make them better places in some cases to live in, then I feel to ask people to pay higher rents is rather adding insult to injury.

Sir, I would like to support the Motion.

#### **The Honourable The Financial Secretary**

Your Excellency, some very interesting points came up from Members' speeches and I have noted them. Most we can deal with in Select Committee, in particular I think the priorities will be put on the table there for Honourable Members to consider and the Director of Public Works will also be available to discuss the housing proposals etc with Honourable Members.

On the question of taxes, personal taxes and duties, this was the discussion that we had and I think it was originated when Mr Prynne was here when Councillors met him; it was thought then that we should transfer some of the weight of the income tax over to voluntary methods and it is a fact that one thing about it is that you have to pay your income tax if you earn it, but you don't have to go out and drink a bottle of booze - it is voluntary.

I'm very pleased that the Honourable Member for Camp, Mr A T Blake, mentioned my misquote "£900" for the swimming pool and I can assure him it is £900,000 in the Estimates.

The question of Government stocks and stores was very interesting. This is a matter I think where we are weak and it has been pointed out in the Auditors' Report. The fact is we do have the unallocated stores of the Central Store very much under control and I think it's one of the best kept stores, and according to the Auditors it is probably one of the best kept stores that they've ever come across. But it is a fact that PWD have masses of equipment and stores for which we should have an assets register; I've already discussed this question with the Principal Auditor, Mr Peter Campbell, and he has made a proposal, where we may get some help in compiling it and maintaining it and Councillors will no doubt have the opportunity of discussing it.

On the question of duty free in the Camp..well, it was just put to me yesterday that I should mark the occasion of my final budget with the withdrawal of customs duties completely from the Falklands, and I regret I do not recommend that!

I think most of the other items we've discussed we'll deal with in Select Committee.

**The Bill was read a second time and referred to a Select Committee of the House.**

REPORT ON THE PROCEEDINGS OF THE SELECT COMMITTEE ON THE  
APPROPRIATION (1988/89) BILL 1988

**The President**

I invite the Honourable the Financial Secretary to report on the proceedings of the Select Committee on the Appropriation Bill.

**The Honourable The Financial Secretary**

Your Excellency, the Select Committee has met on a number of occasions through the week and has reviewed the Estimates for 1988/89. In reviewing the Estimates for 1988/89 the Select Committee has proposed a number of amendments to the Appropriation Ordinance and the 1988/89 Draft Estimates. The most significant change under the operating budget appears in the Revenue side and it is the additional revenue of £7m which was referred to earlier at the meeting and arises from the decision to charge a single fee for fishing licences which now combines both the licence fee and the joint venture fee.

A number of changes are proposed to the Estimates of capital expenditure. The Committee considered that there was an urgent need to provide over £2m for the Camp telecommunications system. It is proposed to include a token figure in the Estimates for assistance to the local fishing industry; a scheme for financing projects under this item of expenditure has not yet been studied and full provision must await further consideration. The Committee has recommended inclusion of some projections of expenditure in the estimates for the much talked about East/West ferry.

The Committee has considered that the uncommitted balance of the £31m U.K. aid, which is slightly more than £3m, should be allocated for the continuation of financing the Falkland Islands Development Corporation. The Estimates for 1988/89 have accordingly been amended but of course this is subject to ODA approval.

A full list of amendments to the 1988/89 Estimates will be circulated to Honourable Members shortly. The amendments to the Estimates have made the following changes to Revenue and Expenditure:

- Operating Revenue for 1988/89 is now estimated at £34.5m
- Operating Expenditure is estimated at £17.5m

leaving a surplus of £17m, of which £10m is now estimated for Capital Expenditure, leaving a net surplus of £7m for the year to build up the reserves. It is now forecast that the Reserves will total £24.3m at the end of June 1989.

I am sure members of the public will be interested in the result of the proposed revenue measures which were contained in the 1988/89 Budget.

The proposals to adjust harbour dues and transshipment fees have been agreed and they will now be referred to the Attorney General for preparation of the necessary legislation.

It was agreed by majority vote to increase Government house rents by 10% with effect from 1st July 1988.

It was agreed to review the charges for services throughout the year.

The Committee agreed that the Attorney General should be asked to prepare the legislation for the introduction of the Personal Tax proposals contained in the Budget.

It was agreed that import duties on tobaccos and tobacco products be increased by 30%. By majority vote the Committee rejected the proposals contained in the Budget to increase the duty on beer, spirits and wine.

During the Committee stage Clause 1 was adopted without amendment and the Schedule was adopted with the following amendments:

100 Aviation - substitute £734,500 for £719,270;  
150 Posts & Tels - substitute £591,880 for £581,880;  
200 Medical - substitute £1,224,440 for £1,236,440;  
250 Education & Training - substitute £1,031,050 for £1,021,250;  
300 Customs & Harbour - substitute £223,750 for £253,750;  
320 Fisheries - substitute £6,501,830 for £6,351,830;  
390 Fox Bay Village - substitute £85,910 for £95,910;  
400 Agriculture - substitute £138,080 for £134,580;  
450 Justice - substitute £148,410 for £146,410;  
500 Military - substitute £99,430 for £89,430;  
600 Secretariat, Treasury and Central Store - substitute  
£892,890 for £838,580;  
750 Governor - substitute £116,440 for £99,440;  
800 Legislature - substitute £44,030 for £34,860;  
850 F.I.G.O. - substitute £208,210 for £238,210;  
860 A.R.C. - substitute £422,340 for £403,590;

**Total Operating Expenditure** - substitute £17,477,730 for £17,259,970;

951 Expenditure to be met from Local Funds under the Capital Budget, substitute £10,618,010 for £8m.

**Total expenditure** - substitute £28,646,190 for £25,810,420.

Clause 2 was adopted with the following amendment:

Delete the words and figures £25,810,420 and insert £28,646,190.

The Bill was then read a third time and passed.

## MOTIONS

### MOTION BY THE HONOURABLE THE FINANCIAL SECRETARY:

BE IT RESOLVED by the Legislative Council under Section 5 of the Customs Ordinance CAP 16 on the 28th day of May 1988, as follows:

1. That the Customs Order No 6 of 1948 be amended by the substitution for item 5 of paragraph 2 thereof of the following:

5. Tobacco

- a Cigars per kilo £30.32
- b Cigarettes per kilo £21.92
- c Tobacco per kilo £19.93

2. This Resolution may be cited as The Customs (Amendment of Import Duties) Resolution 1988 and shall come into force on the 1st day of June 1988."

The Honourable the Financial Secretary

Your Excellency, this Resolution is very simple. It provides for the legislation to increase the import duty on cigars, cigarettes and tobacco by 30%. The increase in duty on cigars is from £23.32 to £30.32 per kilo, which is 6.5 pence on 10 cigars; on cigarettes from £16.86 to £21.92 per kilo, which is 8.5 pence on a packet of 20 Benson and Hedges; and on tobacco from £15.33 to £19.93 per kilo, which is 23p on a 50 gram pouch.

It is forecast that this measure will increase revenue by approximately £30,000. I beg to move that the Resolution be adopted.

The Honourable L G Blake OBE JP

Your Excellency, I feel I have to rise to speak to this motion. It is a sad day when a member of Council is harassed and driven by his colleagues to accept something that is so distasteful to him! During the week I have been subjected to continual harassment by all my colleagues - every time I lit a cigar there was a complaint and every time I put one out there was a cheer! And not only have I almost ended up in a state of nervous collapse but it is only through the valiant efforts of one other colleague that all others weren't in a similar state! Your Excellency I shall have to oppose the motion.

The Honourable J E Cheek

Your Excellency, Honourable Members, in a rather more serious vein I must support the motion. There are those I suspect who would say there are none as rabid as the converted non-smokers, but in fact I would like to have seen an increase. I am sure that we all know that, medically, smoking, whether it be cigars cigarettes or tobacco, is not good for you and certainly our advice from the Chief Medical Officer was that he would like to see a vast increase and I tend to go along with it. What worries me is not the fact that us grandads, or those who are grandads -

I haven't quite reached that yet - smoke. They started smoking when it was not known that it was dangerous to do so. What worries me is the young children of today when they start smoking, and too many of them are. I think anything that could be done to put them off smoking, whether it is financial and I believe it should be in this case, or educational, I think we should do all we can. Sir, I support the motion.

**The Honourable E M Goss MBE**

Sir, in rising to support the motion I must say we had it on good advice and we found it prudent to apply the suggested duty to all smoking materials. In fact the tobacco duty was increased to bring it in line with the duty applied to cigars and cigarettes. The main reason for doing this was to offset some of the revenue that was given up in the income tax adjustments, and secondly in recognising the habit as a health risk and something that is quickly becoming a social stigma. Sir, I support the motion.

**The President**

We have obviously one Honourable Member who is opposed to the motion at the moment. Is it to be taken that other Honourable Members are in favour of the motion? The Honourable the Financial Secretary, do you wish to speak any further on the point?

**The Honourable the Financial Secretary**

Your Excellency, I can confirm the Honourable Member for West Falkland's representations at the meeting and his absolute disgust with his colleagues, including myself. However I think that with the increase at the next meeting of Standing Finance Committee the cigar will be extinguished! I have nothing further to add, Sir.

**The President**

Thank you. The motion is then carried by a majority in this case.

**MOTION BY THE HONOURABLE L G BLAKE OBE JP:**

That this House -

- 1) Notes the content of the Report for the year 1987 of the Falkland Islands Development Corporation;
- 2) Accepts that the future funding of the Corporation will require the appropriation of funds by it;
- 3) Wishes the work of FIDC to continue; and
- 4) Calls upon Government carefully to consider the future role of Stanley Fisheries Limited and whether it should be linked to FIDC.

**The Honourable L G Blake OBE JP**

Your Excellency, Honourable Members, in rising to put this Motion perhaps I should explain my reasons for so doing. With the formation of the Falkland Islands Development Corporation and when we passed the Ordinance which set that Corporation up, it was envisaged that at this stage of the year we should debate annually its budget and be able to express our opinions thereon. I must congratulate the Corporation for finally succeeding in having their Report ready for Council at this stage. In fact, I came armed for battle, expecting that it would miss yet again, so I do congratulate them. But the Motion is purely and simply to allow Honourable Members to discuss and explain their views on the Corporation. Until recently it was a popular sport, if you like, or talking point, to knock FIDC. They have now been relieved of that position by the advent of its subsidiary, Stanley Fisheries Ltd, so we haven't actually killed anything off.

If we look at the work of the Corporation over the last three years, not always spectacular, but it has in fact influenced to a fairly major degree the lives of the islanders and their income. It's sparked off ideas, it's also assisted in the splitting of farms, assisted the new owners to improve that land, to equip it and to run it; it has provided the wherewithall for a number of local businesses to get off the ground and given them guidance and assistance in their various business managements. It's arranged for teaching some of the skills which have enabled a knitting industry to be set up here, which is thriving, it's arranged shearing courses, it's arranged mechanics courses - in fact, it's really become now part of our everyday life and part of the spearhead of our development, and it has, as I say, in the past, received very little favourable publicity, and I think it is worthwhile remembering just how much it has done. It also of course spawned the now debatable Stanley Fisheries Ltd and, again, even this organisation in its short life has had its input into the life of the Colony and I don't think that we should dismiss it so quickly as being a useless body which should never have been brought forth.

Again, if you look around the town, you can see evidence of their influence; you can see a rapidly growing housing complex, one that wasn't even in the inception stages last year. We have a number of joint venture, locally registered fishing vessels at sea today, and so it is not all bad either; it has a number of assets and I think those assets are going to be worth preserving in the debate in the future as to the future of that subsidiary.

So I would not only ask Honourable Members to support the Motion but also ask the public in their discussions and conversations to really look around first before they start complaining that this organisation doesn't do anything, all you do is see them running round in their Land Rovers and, generally speaking, they live on the edge of town and we don't know what's going on. They do only have to look or ask some of the local businessmen what is going on, to know. I beg to move the motion.

**The Honourable J E Cheek**

Your Excellency, Honourable Members, I'm not really prepared for

this, Sir, I over the last two years have been complaining of the non arrival of this Report and I was certainly prepared for that eventuality again this year. And it is pleasantly pleasing to see that the law has been complied with and we have received this report this year.

I go along with much that the Honourable Member from Camp, Mr L G Blake, has said. Probably one of our main complaints here in the past has been the lack of our direct control of FIDC and in a way it's amusing to see that in fact it is we ourselves who have put back the control, if you like, or at least the funding back to continue in the hands of ODA, and I think that says something inasmuch as I think probably a couple of years ago ODA was having too much control, but over the last two years that has been relinquished, or at least if that control is still there they've taken more account of what we have been saying. I think the actual response of ODA and FIDC has been noted.

The future funding, of course, although it will be ODA for just over two years, will ultimately come to the Falklands: it must, because ODA funds run out in that time, and indeed from this year some of the funding will be coming from us - I won't go into the details of why - but I think its farm grants will be coming out of our budget; basically it's easier for us to do that rather than have to explain to ODA why we are doing it each time. I think we must also congratulate the staff of FIDC: they have been extremely short-staffed and generally they've done a tremendous job. OK, they will make mistakes, but I believe development by its very nature leads to not everything coming to the fruition that we may hope it to; it's for that reason, the fact that risks are higher, that we need a Development Corporation.

So, finally, on to Stanley Fisheries, and as you all know I am probably treading on slightly dangerous grounds here, or at least inasmuch as I have an interest; if Members will bear with me and allow me to mention the subject. I said before that I believe mistakes were made, but the whole system of the FICZ and Stanley Fisheries was set up in such a tremendous hurry that it amazes me that more mistakes weren't made. I congratulate everyone who was involved in that in limiting those mistakes to the few that there were. I think that Stanley Fisheries, or rather, the joint venture system as it was, has probably come to the, I was going to say of its useful life; no, I think it has now arrived at the beginning of its useful life, because of the considerable sharp injection of capital that we allowed the first two years: I haven't got the figures before me, but something like £15m. And it's that sharp injection of capital that has allowed the joint venture companies that are there now, and I have been assured by all those concerned to continue, because they are now financially independent. What the future is following that, Sir, I feel that it is not for me to say. I support the Motion.

#### **The Honourable C D Keenleyside**

Your Excellency, I wish to support the Motion. The future of FIDC is a very interesting point, in fact we'll be having a review once more later this year and as we progress we will have to, I think, change the rules once Government starts financing FIDC and we'll have to look at the legislation which covers that body.

A point that interests me, Sir, is the fourth one on the paper, which is possible closer links between Stanley Fisheries and FIDC. To me one thing that sticks out like a sore thumb there is the conflict of interests. Already this has been highlighted in Government, in fact we've actually created a post to alleviate the problem of conflict of interests. You can't have one man sitting down trying to represent two things and balance the two, it just doesn't work. I think under that point we need to perhaps strengthen the management of Stanley Fisheries and try and at least diversify a little so that we are seen to be fair. Sir, I beg to support the Motion.

**The Honourable R M Lee**

Sir, in rising to support this Motion I would like to say that I am in no doubt at all that FIDC should continue. I think control over it should be changed slightly. I am also in no doubt that Stanley Fisheries should continue. I think it would be disastrous to wind a company such as that up at a time like this. I think we make one assumption that all monies that come to Government are spent wisely and in the best interests of the public; I suppose that is true, but it's not always the best method of financing things like housing and other things in industry, sometimes that is better done through the public sector and for that reason I think Stanley Fisheries plays a very important role and I think it would be a disaster if we dissolved it. I wish to support the Motion.

**The Honourable The Chief Executive**

I rise, Sir, to respond to some of the comments made by Honourable Members during the course of this debate, and first on behalf of the staff of FIDC and Stanley Fisheries I would like to thank all Honourable Members for the kind words that they have expressed.

The period covered by the Report was certainly a very, very difficult year for everyone in the organisation and the work that has been achieved really has been quite staggering. There have been, quite obviously, when pressure is as great as that, mistakes, which the Honourable Member for Stanley has mentioned, I think that was almost inevitable. There certainly are problems there and there are one or two quite major issues which the Corporation will have to address during the coming months.

It certainly has been interesting during the past year that, I think as far as I know for the first time, when a project which has been funded by ODA through the Development Corporation has gone wrong Government has had to step in, and I'm referring of course to the Falkland Mill, and Government has made available a considerable sum of money to assist the Mill. That just shows actually what can happen and where the ultimate responsibility for everything in these Islands lies: it's through Councillors ultimately, and the pockets of the taxpayers in the Islands that mistakes have to be paid for, and I think officials are very conscious of that when they are making recommendations and decisions are being taken.

I would also like to say that in relation to Stanley Fisheries, which of course is a very new infant indeed, it has had a very

difficult year but nevertheless, and the Honourable Member for Camp highlighted this point when he referred to the housing scheme, the first thought of building houses in Stanley came in mid-April last year and the houses, which everybody has seen going up very rapidly, will be completed within the next two months, so in fact from a twinkle in someone's eye to completion of 26 houses it's a period of about 16 months, which is quite staggering and shows what can be done with initiative and drive. I think that probably is the best example of the sort of work that Stanley Fisheries has done, and that investment is there for all time in the Islands.

The question was also mentioned by several Honourable Members about a review and, later in this year, probably about October/November time, FIDC will be reviewed by a number of people, including Councillors and representatives from ODA; that will be an important review, even though Councillors have now decided that funding should continue for the moment through ODA. But nevertheless we are beginning to fund already in the agricultural sector, and indeed in the purchase of land, and it is important that the structure of the organisation, and in particular the Executive Board and the Corporation itself, reflects that financial involvement of Government. Once again, Sir, I just would like to thank Honourable Members for the words of praise which they have given to the staff.

**The President**

The Honourable Member for Camp, would you like to wind up the debate?

**The Honourable L G Blake OBE JP**

Your Excellency, I thank Honourable Members for their support and of course I commend to this Council and to his new duties the Honourable Member on my right, the Honourable Charles Keenleyside becoming Council's new member on the FIDC Board. The one thing I would like to take up just briefly is the level of control by this Council of the Development Corporation. I think we do have to be careful not to exert or try to exert too much control on the think-tank, because excessive control will probably stifle it, so we are going to have to put a lot of faith into our representative, but we also have to put a lot of faith in the management; and I think they've earned that faith. Thank you.

**The President**

The Motion is then that this House notes the content of the Report for the year 1987 of the Falkland Islands Development Corporation, accepts that the future funding of the Corporation will require the appropriation of funds by it, wishes the work of FIDC to continue, and calls upon Government carefully to consider the future role of Stanley Fisheries Limited and whether it should be linked to FIDC. The Motion is adopted.

MOTION BY THE HONOURABLE L G BLAKE OBE JP

That this House wishes to record its thanks to the Financial Secretary at this, his last Budget Session of Council, for his tireless efforts on behalf of the Islands and his careful management of their finances.

The Honourable L G Blake OBE JP

Your Excellency, Honourable Members, I don't think it's necessary to call upon my fellow Councillors to support the Motion because I know they will; and therefore it may be asked, why table such a Motion? And I think the answer to that is equally obvious. It is our desire to, in the most formal way, and with the greatest support of this House, to express our thanks to a member who is retiring.

I can't compete with Harold in service - I gather he started in 1948, and that's 40 years - but I have worked with him on and off for many years, and when he presented his first budget, I think it was his first budget, in 1968, as Acting Colonial Treasurer, he put to the House, or the House approved, an expenditure budget of £571,546 including development. And today, he has placed before the House a budget which makes today's figures look odd.

Now in 1968 when he was putting that budget to the House wool prices were low and things were a bit tight to say the least, but I would like to quote just one phrase, he said: "I am afraid that the 1968/69 budget is gloomy. There are no revenue raising proposals or expenditure cuts proposed at this stage. Reserves are available to meet the deficit but I must add a note of warning, that the economic position of the Colony is critical and some remedial action must be taken soon if prospects do not brighten." I think at that stage our reserves stood at just £200,000.

It is also noticeable from this his first budget speech, as Acting Financial Secretary, it took him two and a little bit sides to introduce his budget; I think he must have been very nervous. I wasn't there that day, but I was there for his next budget in 1972. He had just been appointed Financial Secretary, and I had just come back to Council, and in fact the conditions then were very similar to the ones he had in 1968.

Why go into all this useless history, why did I bother to research through the Gazettes to find it? Because from that time, probably from before that time, but as far as the public view is concerned, from that time, he assumed the responsibility for the finances of these Islands. He worked us through periods when wool prices dropped as low as 28.5 - 29 pence per kilo, greasy, and managed to keep us going. He looked after the finances through a period which we all remember and when he was asked by our "visitors" (in 1982) one fact they picked up was that he managed to keep the roads of the Colony in order for £10 and they were quite amazed at his abilities!

Also amazing was his ability to persuade our visitors at that time that he couldn't change from pounds to pesos because he didn't have enough columns in his ledger and they had become aged and decrepit. He had already met them at an earlier time when he

was on business in Buenos Aires, when he was picked up by a black Ford Falcon - I don't blame them in fact, he's a desperate character - and ended up in the calaboose. But not perturbed, I mean, people disappeared from those places, but Harold wasn't worried; next morning when they said can you prove your identity, he said, yes, took out a £5 note, showed it and there was his signature. It shows the cool and careful head that has managed our finances, and I think that these Islands are going to be grateful to him, not just for a few years, but for many years to come, for the foundations and sound sense that he has put into our Treasury. Sir, I beg to move the Motion.

**The Honourable J E Cheek**

Your Excellency, Honourable Members, I very much would like to support this Motion, and that's probably meant more fully than any other time I ever have said it.

I've only worked with Harold in these Chambers for a relatively short time, just under seven years, but I've known him for considerably longer; I don't remember when I first can recall Harold, but certainly in the Boys' Brigade, when I joined at the age of 12, which is too many years ago.

Harold has done a lot not just for this Council, not just for the Colony in the Treasury and ultimately as Financial Secretary, but he's done a lot for the Colony in many ways, and there will be a lot of people who have been and still are grateful for the things he's done. His total integrity I think is recognised by everyone and in such a small community as this it is very difficult not to be accused of favouring someone or another, and I've never, ever, heard that suggested of Harold, and that I think is unusual as I've said, in an extremely small community such as this.

He has looked after our finances admirably well; the only thing I could think of when I was thinking of what has he wasted or given away and that's possibly a little bit of electricity when he works as late as ten, eleven or twelve o'clock at night in the Secretariat. Some people believe he started work in the Treasury for FIG but I believe that is not true, in fact he started off before that, I think as a counter clerk in the West Store for the FIC, so any people who may be here or may hear this, who work as a counter clerk in the FIC, look what you can aspire to.

And it was I think someone said in 1948 that he moved from there to here, in fact that's quite an interesting date because in that year Harold had a niece born to his sister, and twenty years later I married her, so not only is Harold our Financial Secretary, but I can also call him Uncle Harold.

Sir, there are a lot of anecdotes about Harold, we heard one a few moments ago, I think a lot of them are probably best left unsaid in these Chambers, but mention of one rather short address on the budget session and I believe that may well have been when the night before Harold was rushing away as normal, had finished his budget speech only to find next morning, or rather, not to find that budget speech: how he managed I don't know, certainly I would have been in a total panic. I doubt if anyone ever knew about it in this Chamber, but I believe that is one of the true anecdotes. Finally, Sir, Harold I think has lived life to the

full and I hope he continues to.

In fact his generosity of spirit is legendary in the Islands. Sir, I support the Motion.

**The Honourable C D Keenleyside**

Sir, I wish to particularly support this Motion. My association with Harold began firstly as a member of his staff during the 1970's and latterly as a member of Council with responsibility for the Treasury. I've always found Harold very receptive to any ideas, never scared to put forward anything which he thinks is the right course; those I believe are the true qualities we want in a Financial Secretary.

I've nothing but respect for Harold's work and his devotion to the best interests of the Colony. It will be a great loss to Government when Harold retires; he's the kind of person who is looked up to by the Treasury staff and I believe is known as a real character. His successor will have a very hard act to follow. Sir, I beg to support the Motion.

**The Honourable R M Lee**

Yes, I also wish to support the Motion It goes without saying that I agree with everything that's been said previously. I haven't worked with Harold very long, haven't known him very long, but I quickly came to respect him and all his views, not only on finance but on things in general. I think he has a real concern for the Falklands and everyone that lives here. He also, I think if we are honest, any meetings we have to do with finance, if Harold has a frown, wears a frown, we're all very worried, and no one's happy if Harold is not quite happy with the sums. Quite often he doesn't have to say anything, he just folds his arms and sits back with a frown then you know you haven't quite got it right. I would like to support the Motion.

**The Honourable E M Goss MBE**

Your Excellency, Honourable Members, I too would like to support the Motion. I think it was suggested by Councillor Blake when he introduced the Motion that there would be no call on anybody to stand to do this, it was an automatic thing, but we've all expressed our appreciation, and I agree with all the favourable things said about Harold in the last few minutes.

I do know one little story from the past which really has nothing to do with his habits or business, but he did spend a night many years ago at Drunken Rock Pass, for those people who know where it is, and I would hope that he has since found his budget speech or preparation that he lost some years ago. Sir, I support the Motion.

**The Honourable Mrs W Teggart**

Sir, in rising to support the Motion, Eric has said more or less what I was going to say so that completely threw me but, like

everyone else, I have worked with Harold, as I said earlier in the first meeting this week, in the Treasury some 21 years ago, and I can remember as a little girl firmly believing that he was Winston Churchill! Along with everyone else I wish him well in the future, I'd like to think that he is going to retire completely and put his feet up and rest from finances but somehow I can't imagine it. I would think that there will be times when his successor will call on Harold for some advice and I'm sure it will be very well given. I'm sure he's also sitting there feeling extremely embarrassed so I would just like to say that I support the Motion.

#### **The ~~Commander~~ British Forces**

In rising to support the Motion, Your Excellency, Honourable Members, of course I haven't known Harold very long, but I feel it would be appropriate if I could too add my own personal recognition of what Harold has done for these Islands. I've sat opposite him quite often in Council and watched him listen to debate, to put his chin further into his chest perhaps as he's watched other people say various things, and has remained the whole time totally cool to suggestions that have been placed, and yet behind it there has been a tremendous firmness in dealing with matters which I have come to appreciate. And I know from others to whom I've spoken who have been in my position before, how much they have valued his counsel and they have watched the way that he has handled the finances of this Colony, and they have had the very highest regard for him; and I can certainly echo that now. And I think also we should not forget the position which Harold played in this Colony in 1982 when he so ably took on another role. Your Excellency, I wish to support the Motion.

#### **The Honourable the Chief Executive**

Your Excellency, I too rise to support the Motion and I would like to endorse the remarks that all the Honourable Members and the CBF have already made. I feel I'm speaking rather inadequately on behalf of Harold's colleagues in the public service. Councillors see one side of Harold at their regular meetings, his colleagues of course see him at work every day, day in day out, and I think perhaps others more than I are better placed to exercise a judgment on his qualities, but some of those qualities have already been highlighted.

The Honourable Member for Stanley referred to Harold's integrity and I must say I can totally endorse that. There's absolutely no question at all where Harold's concerned of any impropriety in the system anywhere, and he would take the strongest view if any of that was happening in Government, and I think it's an indication indeed of his attitude that the Islands have remained fortunately pretty well free from that kind of thing.

The other aspect of his quality that I'd particularly like to highlight, and I think it's always a mark of a good civil servant, Harold is not afraid to seek advice and it was noticeable during the lead-in to the present budget session, when Harold had the services available to him of a top economist. He was glad to be able to turn to that person for advice, but at the

end of the day, having got advice, it's Harold who carries the load and it's Harold who makes the recommendations to Council which end up of course ultimately in the budget which Councillors have approved today.

During the past week I just quite frankly don't know how Harold has managed to stay sane during the deliberations in Select Committee. Last year I thought we had a pretty heavy session, but in fact this year far surpassed it but what was interesting, and I'm sure Councillors did notice, was that their task was made somewhat easier because on an instruction being given from Executive Council, that departments' estimates should be carefully scrutinised, Harold spent some weeks and in fact largely did Councillors' jobs for them. The Estimates were pruned so hard that in fact it was difficult even for people like Councillor Cheek to find anything at all to light on, but it shows the thoroughness with which Harold had carried out his work. I would just simply like to thank Harold for all his work, not just during the past year when I've been working with him, but for the many many years before; he's done a marvellous job for the Islands and I think those qualities should now be recognised.

#### The President

Just before I ask the Honourable Member for Camp to wind up this debate I would intrude just for a moment for the best of all possible reasons. There's not the slightest doubt that I shall have to say more about the Honourable the Financial Secretary in his retirement at another time. But just now, just let me make two or three points. Harold, if we may call him by the name that we always call him just for the purposes of this debate, Harold and I have two things in common. We started as civil servants in the same year - I think probably he's been much more sensible than I'm being by taking retirement this year instead of staggering on as I probably will do for another three or three and a half years - or perhaps it owes something to the generosity of the public sector pension scheme in the Falkland Islands, and it may be that I just joined the wrong service!

Be that as it may, forty years is a long time and I know just how Harold must be feeling as he comes to this particular juncture in his career. Secondly, I was once - but for only four years - the finance officer of a major department myself. I admire Harold's professionalism as a finance officer. I was perhaps more generously endowed with funds than Harold has been for much of his career and I certainly marvel at the ingenuity which he must have exercised at times in the past to keep this Colony afloat, and so there is a professional admiration there.

Harold is also a staunch patriot. That was tested in 1982 in particular and I don't think that his friends, or friends indeed of this Colony, whether they live here or not, will forget that. And finally I would say this: that he is not only a warm friend but he is a wonderful colleague who I think exemplifies in many, many ways all that is best in the tradition of British-style public service. If I were able to support this Motion I would certainly do so, but I ask the Proposer now to wind up the debate.

**The Honourable L G Blake OBE JP**

Your Excellency, in rising to wind up the debate I wish to be very short. To thank you, Sir, for allowing this Motion, it isn't really in the proper place but it seemed to be in the proper place here after Harold's last budget, and to echo I think what you really meant: our Financial Secretary is a real Falkland Islander.

**The President**

The Motion is then that this House wishes to record its thanks to the Financial Secretary, at this his last Budget Session of Council, for his tireless efforts on behalf of the Islands and his careful management of their finances; and, of course, the Motion is adopted.

THE OLD AGE PENSIONS (AMENDMENT) BILL 1988

**The Honourable the Financial Secretary**

Your Excellency, this Bill seeks to increase old age pensions under the contributory scheme, as follows:

Married Couples: from £50.00 to £59.00 per week;  
Single Pensioners (bachelors, spinsters, widows, widowers) from £33.00 to £39.00 per week.

The Bill also seeks to increase the weekly contributions to the fund, as follows:

Employee: from £2.85 to £4.00 per week;  
Employer: from £4.25 to £6.00 per week; and  
Self-Employed: from £7.10 to £10.00 per week.

During the course of the Select Committee there was a lengthy debate on the old age pensions contributions, or the proposals, and the Committee agreed that the weekly contributions should not at this stage be increased as proposed. It was agreed that they should not go beyond 20% and I shall be proposing an amendment at the Committee Stage that the weekly contributions should be increased in accordance with their request, as follows:

Employee: from £2.85 to £3.40 per week;  
Employer: from £4.25 to £5.10 per week; and  
Self-Employed from £7.10 to £8.50 per week.

There was an item in the Estimates of £58,000 as a subsidy to the Old Age Pensions Fund. The Select Committee reserved this provision to await the outcome of a wider examination of the whole old age pensions scheme and, in particular, we await the report of the quintennial review of the Old Age Pensions Equalisation Fund which is now overdue. I beg to move that the Bill be read a first time.

The Bill was then read a first time and on the motion that it be read a second time Honourable Members spoke as follows:

**The Honourable L G Blake OBE JP**

Your Excellency, in rising to support the motion my support is I should say conditional on the amendments in the committee stage. With the Financial Secretary's assurance I so rise to support the motion. I think that it is right and proper that we should allow for increases in pensions. I am very pleased to see the increases in pensions but I do not believe that those increases should be any less than the increases in contributions or vice versa. I am sure that we are correct in pegging the increase in contributions to the level at which we've increased our pensions.

**The Honourable J E Cheek**

Your Excellency, Honourable Members, I too would rise to support the Bill with the same caveats as my colleague has given. I too think that there is an urgent need for an Actuarial review, particularly with the effect of migratory labour on the fund. As people know such labour pays into the fund as do those who employ

them but of course when they leave, although they take their part out their employers section remains and builds up the fund higher because of that. I must as I have done in the past say that I think the Fund should be self-supporting and I do not believe that there should be a need for a subsidy from the taxpayer.

One last thing, I would stress the need to look at the pension fund so that it complies with our current Constitution: at the moment there are, I believe, grave inequalities between the provisions for men and women. I am not saying it is an easy matter to overcome that but I believe it must be looked at. At the moment a married couple, for example, though they're receiving, or believe they are receiving a married couples pension, in fact they are not. The man is receiving the pension for both of them. The woman has no rights at all and that must be corrected. Sir, I support the motion.

**The Honourable R M Lee**

Your Excellency, Honourable Members, I would like to support the Bill also but I would like to say that when we review the financial dealings of the fund we should broaden that, and I know that inflation is said to be only 1% this year, it's very low in the Falklands, but I do think we should take a close look at the people who are receiving the pension to make sure they are receiving enough. We tend to just look at the inflation figure and assume that it applies to old age pensioners, but there are some things they are buying I am quite sure are increasing much more than the inflation rate so I think we should broaden the review to take an account of the people who are actually receiving this pension and make absolutely sure the old people are being given a reasonable pension. Sir, I support the motion.

**The Honourable C D Keenleyside**

Your Excellency, I think that Councillor Lee has brought up an interesting point regarding the provision of pensions and that is that the needs, if you like, of an old person are different to those of a younger person and possibly the particular weighting in cost of living, for example, is perhaps not so relevant to their state as it is to the younger person. Sir, I beg to support the Bill.

**The Honourable the Financial Secretary**

Your Excellency, I have taken note of the points raised by Honourable Members and I can assure them that they'll be dealt with during the review of the old age pensions scheme, or they'll be considered at that time. I will be moving an amendment to the rates of contribution during the Committee Stage of the Bill.

**During the Committee Stage the Bill was amended as follows:**

In Clause 3 - by the deletion of the figures £4, £6 and £10 and the substitution therefor of £3.40, £5.10 and £8.50.

**The Bill was then passed without further debate or amendment**

## THE NON CONTRIBUTORY OLD AGE PENSIONS (AMENDMENT) BILL 1988

The Honourable the Financial Secretary

Your Excellency, this proposal follows on from the proposals made under the contributory scheme for increasing the few pensions which are payable under the Non-Contributory Old Age Pensions Ordinance. The proposal is simple. It is proposed to increase the weekly pension for a married couple from £43.00 to £51.00, and for single pensioners from £31.00 to £37.00 per week. The increased cost of this falls on public funds. It is relatively small at the rate of £4,530 per annum. I beg to move that the Bill be read a first time.

The Bill was then read a first time and passed through its remaining stages without debate or amendment.

## THE FAMILY ALLOWANCES (AMENDMENT) BILL 1988

The Honourable the Financial Secretary

Your Excellency, this is another proposal which was contained in the Budget. It is very simple and purely proposes to increase the non-taxable child allowance which is at present payable at the rate of £25 per month to £30 per month: that is a 20% increase. The Bill also proposes to increase the single parent allowance by 25%: that is from £20 to £25 per month. I beg to move the first reading of the Bill.

The Bill was then read a first time and passed through its remaining stages without debate or amendment.

## THE ADMINISTRATION OF JUSTICE (AMENDMENT) BILL 1988

The Honourable the Chief Executive

Your Excellency, this is a short Bill which allows actions for the possession of houses to be tried by Magistrates as well as the Senior Magistrate and it also increases the civil jurisdiction of the Senior Magistrate from the sum of £1000 to £5000. I beg to move the first reading of the Bill.

The Bill was then read a first time and on the second reading the Honourable J E Cheek spoke as follows:

The Honourable J E Cheek

Your Excellency, Honourable Members, I fully support the motion but I just wanted the excuse of thanking on behalf, certainly on my own behalf and I hope on behalf of fellow Members, those Justices of the Peace who do such sterling work for us. They get no pay for doing so. It usually for various circumstances involves a very small number of JP's, probably only four or five, and particularly because of circumstances of which most of us are fully aware their workload has increased considerably over the last few months, and certainly over the last two or three years. I would just like to formally place my appreciation of the

Justices on record. I support the motion.

The Bill was then read a second time and passed through its remaining stages without further debate or amendment.

#### THE DEFAMATION BILL 1988

**The Honourable the Chief Executive**

Your Excellency, this is a fairly short Bill and makes clear the provision concerning the law of libel in the Falkland Islands. It also adopts certain provisions of the Defamation Act 1952 which already apply and these are modified in Schedule II of the Bill. I beg to move the first reading of the Bill.

The Bill then passed through all its stages without debate or amendment.

#### THE LEGAL PRACTITIONERS BILL 1988

**The Honourable the Chief Executive**

Your Excellency, again this is a fairly short Bill but indeed a very important one. For very many years now the Islands have not had a legal practice and all advice on law has had to come from the Attorney General. This Bill will in fact make provision for persons who are entitled to practice law and also to represent persons before the Courts. The Bill if passed will in fact almost certainly come into immediate practical use because we do believe that a firm of solicitors will shortly be setting up in the Islands. I beg to move the first reading of the Bill.

The Bill was then read a first time and on the second reading the Honourable J E Cheek spoke as follows:

**The Honourable J E Cheek**

Your Excellency, Honourable Members, in rising to support the motion I just want clarification, I think I'm right in saying that although this Bill provides for people outside the Colony to appear in Court it still remains that non-qualified Islanders may if they wish, and if the people they are representing wish, appear in Court for other Islanders.

**The Attorney General**

Sir, I can answer that by reference to Clause 5 of the Bill and to the provisions of the Constitution and the Administration of Justice Ordinance which make such provision. The effect of Clause 5 being that the enactment of this Bill will not alter or detract from that position in any way at all.

**The Honourable J E Cheek**

Thank you, Sir. That was my understanding and I believe that others listening will find that of interest.

The Bill then passed through its remaining stages without further debate or amendment.

THE PUBLIC HEALTH (AMENDMENT) BILL 1988

The Honourable the Chief Executive

Your Excellency, again a rather short Bill before the House. It is quite simple in its effect and will bring the Falkland Islands up to date so to speak in terms of the regulations relating to the health of persons, ships and aircraft arriving in the Islands. Obviously with the dramatic increase in ships, particularly, arriving in the Islands we heard from the Harbour Master that during the past year we have had up to two thousand vessels come in to the Islands, there is a greatly increased risk and it is very important that those ships be inspected and, hopefully, this simple Bill will allow us to exercise those controls. I beg to move the first reading of the Bill.

The Bill was then read a first time and the Bill passed through all its stages without debate or amendment.

THE ROAD TRAFFIC (AMENDMENT) BILL 1988

The Honourable the Chief Executive

Your Excellency, this Bill is an important one. It makes the necessary provisions to allow members of the military police to apply the Road Traffic Ordinance in relation to these particular powers. It is, I think, vital that the military do have the capacity and the ability and the necessary backing in law to stop and to ensure that the law is being complied with. I beg to move the first reading of the Bill.

The Honourable L G Blake OBE JP

Your Excellency, Honourable Members, I have to thank the Attorney General for explaining this Bill to me yesterday but I'm still as fogged as ever and I think it might be worthwhile trying to clarify the situation. As introduced the Bill pure and simply allows, or gives the impression of just allowing, military policemen to do civilian policemen's jobs when required. But in fact I think I am right, and I may have to be corrected in this because I can't see any mention thereto in the Bill itself, but I think it also gives effect to some of our legislation, particularly the breathalysers legislation, to the area around Mount Pleasant. I am not quite sure where that bit is in this Bill, but the objects and reasons which are not part of this Bill do make such statement, and I would like confirmation as to whether it is just to allow military policemen to act for civil police, whether in uniform or not, and secondly whether it does in fact extend that legislation to the breathalysers legislation, which I am sure will be of interest to a number of people who will hear this in the Mount Pleasant complex.

## Attorney General

Your Excellency, Honourable Members, there are two points. The first is how is it that it extends the breathalisher to Mount Pleasant and what's the reference? Section 9(h) of the Road Traffic Ordinance contains a provision allowing a police officer in uniform to arrest a person and require him to take a breath test if he suspects that he has committed a drinking and driving offence. That provision is limited to police officers in uniform and therefore the right to arrest can't be exercised by a police officer in plain clothes, even though the driver in the circumstances of the Falkland Islands may know very well that the person concerned is a police officer. It therefore cannot be exercised, without the enactment of this Bill, by a reserve police officer who is not in uniform. Uniform means, without this Bill being enacted, Falkland Islands Police Force uniform.

Now there are a number of military policemen who are reserve officers of the Falkland Islands Police Force: it has been the practice here ever since 1982 that members of the military police who have had police training should be sworn in as reserve constables in the Falkland Islands Police Force, and so that when need arises they can deal with some civil offences.

Roads in the Mount Pleasant Complex, a large number of them, have been declared to be public roads under the provisions of the Road Traffic Ordinance. And under the Road Traffic Ordinance if a person drives on a public road, for example with blood alcohol over the prescribed limit, he commits an offence, so that if one is over the limit on the Mount Pleasant Complex roads one is committing an offence just as much as if one were doing the same thing in Stanley. And it is necessary and desirable, and particularly in relation to civilian contractors, that the military police should be able to enforce the law which is and always was intended to apply both in Stanley and on the Mount Pleasant Complex, and as a matter of road safety and protection of the public and persons from injury. And for that reason this Bill is proposed to the House so that the military police who happen to be reserve members of the Falkland Islands Police Force can exercise powers of arrest for breathalisher offences, principally, at the Mount Pleasant end of East Falkland.

The Bill was then read a second time and passed through its remaining stages without further debate or amendment.

## THE FISHERIES CONSERVATION AND MANAGEMENT (AMENDMENT) BILL 1988

### The Honourable the Chief Executive

Your Excellency, this Bill is quite an important one in terms of one particular aspect of managing the fishery. Apart from the normal fishing licences which are applied for in the two seasons, all-species licences for north and south zones and finfish licences of various kinds, the Government has been encouraging fishing companies to participate in scientific and exploratory fishing activities, and we have had a number of such requests to deal with during the present season. Currently under the Fisheries Ordinance each time we make such an arrangement we would have to make the appropriate regulation to permit that

licence to be granted and the proper fee level to be struck. What this Bill does is allow that function to be exercised by the Governor so that the individual circumstances particular to that licence, and they can be quite complex and difficult to deal with, and indeed there is quite a bit of commercial confidentiality about such a licence, it allows discretion to be exercised without recourse to the Regulations. I beg to move the first reading of the Bill.

The Bill was then read a first time and passed through all its stages without debate or amendment.

### THE FINANCE AND AUDIT BILL 1988

#### **The Honourable the Financial Secretary**

Your Excellency, Honourable Members, this Bill is quite a considerable document - in fact it is enormous - and it was produced in a very short time. We discussed the Bill just a few weeks ago and I am absolutely amazed that it has been placed on the Table today. It is a very important Bill and something that we have needed here for some time. There are a number of points that arise because of our new Constitution and the title of the Bill really sums up the purpose of it, the objects and reasons. It is a Bill to make detailed provision relating to the audit of public funds, the management of public funds, appropriation of funds for the expenditure of the Government, the withdrawal and issue of sums from public funds, the audit of public accounts and matters connected therewith and incidental thereto. I think that I should give the opportunity to introduce this Bill to the author of it, the learned Attorney General, and I must thank him for the enormous help he has given to me over the past few months since he arrived here, and I hope he doesn't mind me handing this over - it's enormous!

#### **The Attorney General**

May it please Your Excellency and Honourable Members. This Bill, as the Honourable the Financial Secretary has told you, is quite a lengthy Bill and it is one which is based on firm principles: the principles established by Chapter six of the Constitution which deals with finance, the principles reflected in instructions which have been issued to all Government Offices in 1986, called Financial Instructions, and these are very detailed indeed, and if the Financial Secretary thinks my Bill is long and detailed he should see and you should see the lengthy Financial Instructions which are issued to public offices; and the Bill is also based on traditional colonial accounting principles contained in Part II of Colonial Regulations. The Bill is divided into, as you will see, eight parts (and a correction will need to be made during the Committee Stage) dealing with separate subject matters relating to public finance.

Part II of the Bill really reflects provisions which are contained in Part 6 of the Constitution. The Consolidated Fund exists under Section 68 of the Constitution. The principles as to withdrawals from the Consolidated Fund are set by Section 69 of the Constitution and the provisions of the Bill reflect that. The authorisation of expenditure is dealt with by Section 70 of the

Constitution. Supply provisions, that is if in any year an appropriation ordinance has not been enacted, is dealt with by Section 71 of the Constitution, but importantly Section 71 of the Constitution says "that the withdrawal of monies from the Consolidated Fund in those circumstances is to be as prescribed by ordinance" and indeed this Bill seeks to prescribe the conditions, in Clause 9, under which withdrawals from the Consolidated Fund before appropriation legislation for the year has been enacted may be accomplished.

Section 72 of the Constitution provides for, and in fact requires there to be a Contingencies Fund, and the Bill would introduce a Contingencies Fund.

Section 74 of the Constitution contains some provision in relation to the audit of public accounts and the provisions of this Bill supplement and give teeth to the provisions enabling the Principal Auditor to audit public accounts.

Honourable Members, that gives you a sort of bird's eye view of the Bill. I shall be pleased to explain and deal with any detailed provision of the Bill at the Committee Stage.

The Bill was then read a first time and on the Motion that it be read a second time Honourable Members spoke as follows:

**The Honourable L G Blake OBE JP**

Your Excellency, Again I have to thank the learned Attorney General for his assistance in understanding this Bill. In his opening remarks he noted how closely it matched the Constitution and the 68 sections are there to prove it. However, there are one or two facts which have appeared or have been thrust under our noses by the appearance of this Ordinance, and the actual effect is that, not of this Ordinance but of the Constitution, the Constitution does appear to reduce the physical control of the Standing Committee of the Legislature on finance over the expenditure of funds and, in particular, the ability of our trusted and noble Financial Secretary to get his hands into the kitty without asking us first.

Now, having already dealt with a member of the service I have to say that if all things had been equal we would have had no concern whatsoever. However, under Section 26 of the Bill a Contingencies Fund is laid down; this is required by the Constitution and Section 26 allows the Financial Secretary to withdraw for "acts of God" expenditure - that's the only way I can really explain them - let us say that quite suddenly a hole appeared in the middle of Stanley Harbour and it began to run dry well the Financial Secretary could take up to two and one half percent of the total Consolidated Fund to buy a plug to put in that hole so that Stanley Harbour didn't go dry, largely because we had no idea that Stanley Harbour was going dry, nobody knew it was going to dry out, and so we couldn't budget for it and therefore he could help himself to the Contingencies Fund. Now, we would have no objection to him blocking up such a hole but we would like to have some control as to how big the plug was, and the only way we can see of doing this is to actually limit the size of that Contingencies Fund and, therefore, Sir, I beg leave

to introduce an amendment to Section 26 of the Bill.

Now if we turn to Section 35, we've left the Contingencies Fund and the hole in the harbour, we come to another Section which I don't think meets wholly with Councillors' approval. In an earlier period of discussions there was a heated debate with, or through the Foreign Office, with regard to the powers of the Secretary of State on the powers of borrowing in the Falklands, or the Falkland Islands Government to borrow. This Section 35(1) of the Ordinance says that there is no way we can borrow funds without the Secretary of State's approval. Now what I would like, Sir, is, with the assistance of the learned Attorney General, I would like also to perhaps amend Section 35(1) of the Ordinance so that if the Secretary of State isn't quick enough off the mark in saying no, and he doesn't have to say yes, in other words if he doesn't say no within a limited period then we can go ahead and borrow anyway, and that gives us the chance at least not to hang around so we don't have to wait as we did with our Fisheries Protection Zone whilst it scuttered around the corridors of power and was considered at the highest level and then scuttered back again. So I would like to perhaps ask for assistance later in the committee stage to amend Section 35. Otherwise, Sir, I beg to support the Bill.

**The Honourable J E Cheek**

Your Excellency, Honourable Members, I too would like to thank the learned Attorney General for the amount of work he has put in here. It may be 68 clauses long but he is producing these Bills almost as fast as we can pass them in this House.

With his introduction one thing that he really highlighted when he found, and I think he found it just then, that the eighth part was in fact numbered as the ninth part and presumably this was done by someone who is not too familiar with Roman numerals, it shows how easy it is for errors to escape the various people who look at them. I am sure the Attorney General must have seen this so many times he's utterly sick of the thing. Certainly I have been through it three times and that so obvious fault I missed and presumably everyone else missed as well.

**The Attorney General**

It is in fact, Sir, if I may say so, only in the Arrangement of Clauses and not in the Bill itself.

**The Honourable J E Cheek**

A minor point, Sir, but it does point out how errors can escape. And leading on from that I have nothing against this piece of legislation apart from those two points which have already been pointed out by my colleague, but what it does point out is that what I believe now is an error in our Constitution, or at least our Constitution was not I believe framed as we would want it. I think we are very jealous of the principle of the control of our finances by the elected legislature and during the year by their representatives, which is ourselves, the Standing Finance Committee. Although it may not be directly related to this Bill I think because that has been brought to our attention certainly in my mind there is now possibly more need for modifications to our

Constitution to take account of that.

The only other modification I thought might have to come up in the relatively near future was because of the change of population from the Camp to Stanley which is now completely out of balance but that is another matter altogether.

I think one thing which the effect that, not this Bill but the problem that has been highlighted, will have in the civil service is that in the past three years and before this present Constitution came into being, if a Department ran short of money, not because of acts of God - that will still be covered in the future - but because of something which needed to be done, whether it was the introduction of a Fisheries Zone or whatever, Standing Finance Committee could provide that money. It appears that no longer can Standing Finance Committee legally do that. The acts of God will be covered by the Financial Secretary; anything else that will be needed will have to come to this House which will still mean it's being controlled by the elected legislature, but I believe will add considerably to the burden of Councillors in the future. Sir, I support the Bill.

**The Honourable R M Lee**

Sir, I have just one brief comment to make on Councillor Cheek's comments in that I'm not entirely sure that it isn't a good idea to have major expenditure passed through Legislative Council. I think the monies that we handle these days are so vast - I can think of two occasions last year when we spent over one million pounds in one Standing Finance Committee meeting - and I am of the opinion that it is no bad thing that we have to have a full scale Legislative Council meeting to pass such finance. I think it gives a good opportunity to tell the public what we are doing and I think they have a right to know that. I know there is a problem that it may delay some of our projects but I must say that I'm of the opinion that it's no bad thing to do our financial business in Legislative Council. Sir, I support the Motion.

**The President**

We shall return I think to those points. Do you want to make any other point at this stage or leave it until the Committee Stage, Attorney General.

**The Attorney General**

Sir, there are just a couple of points of principle rather than detail which perhaps I ought to address and they are legal rather than strictly financial matters.

The provisions of the Constitution in Chapter 6 as to the withdrawal of funds from the Consolidated Fund requiring the consent of the Legislature are common provisions which appear in Constitutions throughout Commonwealth Countries, and they reflect a tradition which results from the constitutional struggles of the civil war in England. The situation has not changed by the Constitution in that respect and the Standing Finance Committee

never had lawful authority to authorise expenditure without appropriation legislation.

It has not changed: it has been a misunderstanding that it ever could, lawfully, authorise expenditure without legislation having been first enacted. I am sorry but that is very definitely the position and you will find that that is the position as clearly stated and has always been clearly stated in Colonial Regulations. There hasn't been a change in the Constitution from the previous position as far as that is concerned. I thought I ought to make that point of principle absolutely clear, Sir, because I am sure it is causing concern to Honourable Members of the House.

I do not oppose in any respect, nor does this Bill, the tight control of expenditure by Members of the Legislative Council. I think matters which have caused concern to Members are relating to the power of an official, the Financial Secretary, to authorise withdrawals from a fund and of course that is a provision which is in the Constitution and therefore is one which has to be reflected in the Bill, and the Bill in that respect reflects the provisions of the Constitution. And that of course was a change from the position which previously existed prior to the Constitution being promulgated.

#### **The Honourable the Financial Secretary**

Your Excellency, I thank the Attorney General for the explanation and the assistance he has given on the Bill which is now on the Table. I cannot see any objection to Honourable Members proposing a smaller sum for the Contingencies Fund, but I would take the advice of the Attorney General on this, and also the proposal made by the Honourable Member from the West Falkland that a time limit be placed on the Secretary of State for approving it. Again I will need the advice of the Attorney General and I will need his help in drafting the amendments when we come to the Committee Stage, in particular with those two amendments if Honourable Members are going to propose them, and also the error which has occurred in the Arrangement of Clauses. I beg to move that the Bill be read a second time.

The Bill was then read a second time following which Council adjourned to discuss the proposed amendments with the Attorney General.

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On the resumption of business the President declared the Council to be "in Committee" and the Bill was, on the suggestion of the Attorney General, taken part by part. The Bill was amended as follows:

- |                   |   |
|-------------------|---|
| <b>Long Title</b> | the word "and" was inserted in line 6 between the words "withdrawal" and "issue"; |
| <b>Part I</b>     | was adopted without amendment;  |
| <b>Part II</b>    | was adopted without amendment;  |
| <b>Part III</b>   | Clause 26(1) was amended in line 3 by the   |

deletion of the words "two and" and the substitution in their place of the word "one". The amendment was proposed by the Honourable L G Blake OBE JP and seconded by the Honourable J E Cheek.

The Honourable L G Blake OBE JP also spoke as follows:

Further, Sir, can I ask the Attorney General if it is possible to amend Clause 18 to allow the Standing Finance Committee to call officers to account for expenditure, although theoretically correctly used in the eyes of the Committee, not well used?

**The Attorney General**

Sir, these would be provisions which would be equivalent to vesting in the Standing Committee powers equivalent to those of a Public Accounts Committee. I am in sympathy with those proposals and it would be possible to introduce legislation to do so but I think that it would most conveniently be done by adding a part to this Bill, if enacted, by a subsequent amending Bill. And if the House so wishes I undertake at an appropriate opportunity to prepare legislation adding a part to the Bill giving to the Standing Finance Committee such powers as will be appropriate to a Public Accounts Committee.

**The President**

That will meet your point?

**The Honourable L G Blake OBE JP**

Yes.

**The President**

Thank you very much indeed. The House will then take note of the point you have made and the Attorney General's reply to that.

The House then returned to the proposed amendment to Clause 26.

**The Honourable R M Lee**

Your Excellency, I am worried slightly that we are using percentage terms here. In the unlikely event of striking oil or something and income and expenditure came to rise to a couple of billion pounds a year one half percent of that would be quite a considerable amount for one person to control.

## The Attorney General

As a proportion of expenditure it wouldn't increase. The reason for doing it in percentage terms, Sir, is of course that things do move and it does contain an element of inflation proofing to do it in percentage terms rather than in absolute terms.

The amendment to Clause 26(1) was then adopted.

Clause 35(1) was amended as follows on a motion by the Honourable L G Blake OBE JP which was seconded by the Honourable J E Cheek:

By deleting the full stop at the end of the second line and the substitution therefor of a colon; and

by inserting the following proviso thereafter:

"Provided that if the Secretary of State has not, within 30 days after an application for approval of a borrowing detailing the intended amount, intended purposes and intended terms and conditions of that borrowing is received by him, notified that he will not approve the same, he shall, for the purposes of this Ordinance, be deemed to have approved that borrowing."

Part III was then formally adopted as amended.

Part IV was adopted without amendment.

Part V was adopted without amendment.

Part VI was adopted after the correction of the spelling of "ex gratia" in Clause 55(1)(m).

The Attorney General also commented as follows:

Sir, may I make the comment here that if the Standing Finance Committee is to be, as contemplated, vested with the functions of the Public Accounts Committee it may be appropriate, and I give advance notice, that I shall give consideration in those circumstances to the audited accounts instead of coming first to the Legislative Council, or at least if they have, to stand referred to the Standing Finance Committee for examination of those accounts in detail, and for calling public officers for such explanations and other matters related to those accounts as the Standing Finance Committee may wish to receive. I think that perhaps in view of the fact that Standing Finance Committee sits rather more often than

this House it may be that the audited accounts, if the amendment will stand, be referred automatically to the Standing Finance Committee for examination.

Part VII was adopted without amendment.

Part VIII was amended by the insertion of the word "pounds" between the words "thousand" and "the" in the penultimate line of Clause 64.

Part IX was adopted without amendment.

The Bill was then read a third time and passed.

## MOTION FOR ADJOURNMENT

The Honourable The Chief Executive:

Your Excellency, I beg to move that this House stands adjourned sine die.

The President:

The Motion is that this House stands adjourned sine die. Does any Honourable Member wish to speak to the Motion?

The Honourable J E Cheek:

Your Excellency, Honourable Members, in rising to support the Motion there are a number of points I would like to touch on. Firstly, if I can mention just briefly fishing and the FICZ, two points, firstly, Sir, I was concerned until fairly recently about the credibility of our enforcement of that zone; that credibility I feel has increased somewhat over the last four or five weeks, but certainly when I was visiting the Far East my impression was that it was known at that time a large number of unlicensed fishing boats were entering the zone: certainly I heard of figures of 40 or 50, and it was becoming almost a laughing matter, not so far as I was concerned, but there.

Since then of course a number of ships have been caught and their representatives have appeared in this room when it's a Court. I hope that that has restored the credibility that I believe we had the year before; but I think we have to be very careful, vigilant, and ensure as best we can that any ship that enters the zone and is caught fishing within the zone should be treated as harshly as possible.

Secondly regarding the FICZ, Sir, I would like to place on record that I think we should continue to press for a 200-mile EEZ. This is just putting a marker down, it's not the first time I've done it or other people have done it, but I would not like to see a session of Legislative Council go by without that marker continuing to be put down.

I said quite a few things about education in reply to your opening Address, Sir. I purposely didn't mention the raising of the school-leaving age, although that subject has been brought up by a number of people and I was pleased to see it was brought up by a number of Councillors. I think it is probably now one of the most pressing things we need to decide, when - not if - when we are going to raise the school-leaving age to 16, or, rather, to the end of the year in which children are 16, because I believe it has to be done. I was worried about the lack of space in the current school but I believe that trying to teach children GCSEs starting a year earlier than the course is designed for is almost certainly too much for children and I think we will have to make space, by whatever means - portacabins or whatever - I think that is our next priority.

On Monday I mentioned that I hoped we would have a resurfaced playground. I didn't know at that time that the playground resurfacing was in fact scheduled for this week; it hasn't been

finished but I'm pleased to see that it's well under way. But unfortunately we have a number of vandals in the town - in fact it's not a problem just in this context, the amount of vandalism is worrying and I only hope that the Police can try and stop it, but more importantly where it's young children that parents try and control their children and stop them from doing it. I particularly bring this up because in this case I believe that one of the panels of new concrete which was laid in the school playground has been badly damaged by whoever - I don't know their age or anything about them - jumping up and down on the wet concrete. I've heard, it hasn't been confirmed, that the possible cost of repairing that damage is in the region of £2,000, which will come out of the pockets of taxpayers.

With the increase of income to the Islands we see the end of the TCO's and the OSAS scheme, it's been touched on. I think most people welcome it, for a number of reasons: not least, it's nice to be able to pay your own way, which we will be able to do, and not rely, grateful as we may have been, on the British Government aiding those people who have come to help us or, in the case of TCO's, paying everything. The only thing I would say, Sir, I believe that there is a very strong case for equal pay for equal qualifications, whether they be from England or wherever, but including Falkland Islanders. That, Sir, I believe was one of the biggest irritations of the OSAS scheme.

One of the points that came up when we were in Committee was the cost of diesel oil. Diesel oil is currently sold in Berkeley Sound and I trust people will bear with me while I quote in United States dollars, at \$269 a ton; now I know the fishing community consider that extremely high but be that as it may, that's the price there and that's after whoever sells it has made a profit - presumably they are making one. The equivalent price of diesel in Stanley, if you work it out per ton in US dollars it is about \$360, I haven't worked at a percentage, but that to me is a horrific mark-up, presuming they are getting it from the same source. I would hope that that is shortly corrected or if it isn't the Administration does something about it, as we I think have given the right to sell that to only one organisation.

If I could just mention briefly tax: personal tax, I'm quite satisfied that it's round about the right level but I would like to remind the Financial Secretary that he's promised to consider in the case of Old Age Pensioners their income from bank interests and that the normal 10% deduction allowed for earned income be applied in this case or, if that isn't possible, that some other means be given so that OAPs should have relief on the income from bank interest.

While we are on the subject of money, something else which wasn't mentioned, Sir, is that Councillors very generously doubled their allowance - in fact I'm somewhat guilty, I've always objected to any increase in allowances in the past, but this time I kept quiet after one of our Members, who keeps a record of his time - I'm not sure how many of us do that - worked out that his hourly pay was something like 23 pence, so in doubling his allowance, and the rest of our allowances, if we are putting in the same hours that he is, we would be earning something like 46 pence an hour, which I think currently is about 20% of the pay of a labourer; maybe that's all we're worth, Sir!

I've said on a number of occasions that now that our right to say what we want, to govern ourselves if you like, has been restored to us, was restored to us some time ago, Falkland Islanders must in fact use that right. It is no use having it and then turning around and complaining and saying that isn't fair because we haven't been given it or whatever. Because we have that right I believe that we have to do things for ourselves, I don't like using the word "fight" but in other words, organise our own future for ourselves and not rely on other people all the time.

And lastly, Sir, that right was restored to us, as I say, in 1982 and it is being maintained by the British Forces and I would like once again to thank every military man and woman, and by military of course I mean the three Services, at Mount Pleasant, for the work that they are doing, the protection they are giving to us. If it wasn't for that, none of us would be here this afternoon.

Thank you, Sir.

**The Honourable L G Blake OBE JP**

Your Excellency, Honourable Members, in rising to support the Motion for the Adjournment I don't know, Sir, whether anybody has mentioned the fact, you probably noticed as we were going down the Bill for an Ordinance to provide for the services for 1988 and '89 that we had increased the vote under your Head, Sir, and you've probably heard this already but I'm sure the public at large will be pleased to know that we are considering replacing the red taxi with something we think is the "in" vehicle of the day and so we are looking, I don't know whether they are available, but we are looking for a Suzuki jeep with a sun-roof! I hope that that will fit the bill.

**The President**

I'm obliged to Honourable Members!

**The Honourable L G Blake OBE JP**

If I can now turn to slightly more serious matters. In the Motion of Thanks, Sir, I mentioned the Representation of the Peoples' Bill; the Attorney General drew my attention to the fact that this was published on February 29th - a fantastic date to publish a Bill this year - or sections of it, particularly with regard to the registration of voters. I'm still to a certain extent at a loss in that in that it deals solely with qualifications to be a voter but it makes no definition, no reference, to qualification within a constituency. I do urge as many people as possible to read this Bill and to look at it with care and discuss it with him or with anybody else. I look forward to discussions in the not too distant future with the Attorney General on this subject but I am very pleased to see that it is beginning to come forth.

There has been mention today, Sir, of one of the problems of our society which I find difficult to swallow but I don't find difficult to smoke! I would like to mention just yet again a

second problem which we hope is not a problem of our society here but of society generally and that of course is the AIDS virus. We will be having a survey for hydatidosis later this year and it is my fervent hope, Sir, that at not to great a time after that we should have available the chance for public testing of blood samples for this virus and I would urge every parent to consider this very seriously. There are so many tragic cases and really the chance to confirm that one is free and therefore not likely to endanger somebody else's health is so urgent that I would urge everybody to seek this help at an early date and I hope that we as a Government will be able to make available the chance for such a test in the not too distant future.

Next, Sir, I always seem to spend half my time on fishing and I would like to just make one or two comments on the subject today. With the end of the system of joint venture premiums and the bilateral arrangements between locals and foreign fishing companies and Stanley Fisheries et al, we have seen, or we have been notified of the formation of a number of companies in the Islands over the last few months who are hoping to get fishing licences and participate in the industry. I don't believe, Sir, that we as a Government have any desire to stop people participating in the industry. However, I must use a word of caution on my own behalf, or reservations that I have personally.

It is our declared aim, and always has been, that eventually the fishery will be in the fullness of time a Falkland Islands fishery, and that the share in the fishery by people here will grow, and therefore the surest way for foreign fishermen to keep a foot in the door here is to find a front, a group of individuals who will set up a company - I am not accusing all the local companies of being this front, but I am warning people that they could become such a front - the fishermen will act as a sleeping partner, a minor shareholder in that company, they will support whatever fly-by-night scheme that company may decide to embark on, providing the local company can in turn supply some licences. The value of those licences, despite what is said about the value of squid today, about the volatility of stocks, etc, the one thing the fisherman wants is a licence. We have banned commissions but they are still willing to pay for it and they will find ways of paying for it if they can, and I do urge people when they are entering into such negotiations to have in mind that one day their need is going to be chartering vessels and arranging for the sale of the fish: that is our aim, not to just supply guaranteed licences to selected fishermen.

One point my Honourable colleague on my left mentioned just now was the price of diesel. I wholly support his comment but I do feel that he may perhaps have given a misleading impression in that he implied that the diesel that is being sold in Stanley was coming from the same source as Berkeley Sound; well, yes, in the main it is, I would agree with him, but in fact Stanley Services is not actually buying diesel yet from Berkeley Sound and selling it locally at a vastly inflated price. It is buying it from the Ministry of Defence at their price, after their handling charges and what have you, so that the profit, the hundred dollars or so per ton isn't actually going into Stanley Services' pocket, and I'm sure he didn't mean this when he mentioned it. But I do support him in his comments and I do hope that at a very early

opportunity Stanley Services will look at this source of supply in Berkeley Sound which is considerably cheaper than our current source and that we might all enjoy a reduction in the cost of our fuel and it would play a very significant part to in reduction on our budget.

One exercise which of course we didn't do this morning, which perhaps we should have done, was to remind the Financial Secretary that his sums were liable to be all wrong because he had allowed for increased old age pensions contributions at his rate and we ended up with it at our rate so he's got a little bit in the kitty for all departments, whether that was intentional or not I don't know but I'm sure he will be very pleased to have that little buffer stock sitting behind him at the end of the year. Sir, I beg to support the Motion.

The Honourable C D Keenleyside:

Sir, in rising to support this Motion one item we've dealt with this week which I'm particularly interested in is that we do have a rolling programme for housing; particularly single unit housing, which we critically need, and also for family unit housing. But we do have the problem of maintenance to contend with and something which is going to face us in the future is that Government may find itself not in a position to even provide the meagre maintenance which we are able to provide at the moment, and this is something which is going to have to be addressed.

The roads: at least we are making a start this year, and I would say that in the area of John Street, in the area of the Junior School, there is a particular problem there with the roads. I think this might be alleviated when this road is rebuilt if perhaps pavements could be provided on both sides of the roads rather than just one and that would enable children leaving the school to actually walk along the road perhaps to a more safe area to cross rather than having the extreme congestion we have at the moment.

In the Road Traffic Ordinance we passed earlier this year I wonder, as we've actually allocated funds to the ferry this time, if perhaps we should make sure we extend the breathaliser to that department as well!

I am pleased to see that the Printing Department are going to have some offset lithographic capability when the new equipment arrives. I know from experience, having visited them, that this Department is coping remarkably well with only a partly completed system this year and due to their own ingenuity and hard work they have produced the goods for us.

It seems with the Treasury that whatever pressure we put on Harold and his Department, they always produce the goods and I for one am very appreciative of that.

One of the Budget items we actually reduced was the expenditure on the Hospital. It concerns me a little; most of the others actually increased. We really need to take a hard look at the Hospital because at present I believe we have a very high

standard and level of care within the Hospital. My feeling is that we should look to improving that, not just standing still or looking to see what we can cut here or cut there. Even now we still have the day centre which only runs because a few dedicated people actually provide their own time to make it work, and I believe that there are certainly improvements needed for that there. We need greater care within the community and I think it's something we should really look at.

I am delighted that we now have new schools on the horizon rather than just a Senior School; in fact the Junior School is now included in the projections. That Department is very heavily stretched and although we are doing an extension it is obvious in the future we are going to have to look at even more work in that direction.

Sir, I would like to support the Motion.

**The Honourable R M Lee:**

Your Excellency, Honourable Members, in rising to support the Motion I would just like to endorse the remarks made by my fellow Councillors about the military and the way we are being defended and looked after very efficiently and quietly. I think the Honourable John Cheek is absolutely right, without them we wouldn't be here today. I think they are doing a good job and they certainly don't encroach on any of our businesses, they keep themselves to themselves and get on and do the job and they are always very friendly and helpful when you go to Mount Pleasant. I would also like to say perhaps an early farewell to General Carlier and his family, they are friends to everyone, certainly this week they entertained far more guests than Port Howard Lodge, so it gives you some idea of their hospitality! I would just like to say farewell and thank you to them for all they've done.

My area of special interest is agriculture and I have to admit that after this week's Select Committee I am reasonably satisfied with the outcome of the Budget. I think Government is aware now that although we are not a new industry like the fishing we are in need of help. I think Government have proved to me, or Councillors have, this week, that they are aware of our problems and take them seriously. From the Budget have come some really quite significant helpful things to people in Camp: ARC is now on stream, we are funding that, agricultural training is being funded by us and should improve, the telephone system looks like being built and installed sooner than we thought; there is a lot of money available for roads and improvements, FIGAS is really seriously talking about weekend flying - I am not going to say they are until I actually see it happen - but I am optimistic about that. We have a reasonable sum of money put by to purchase a ferry, the freight rates have come down, and I think we are looking seriously at training anyone that wants to enter the field of agriculture will certainly receive assistance in the training field, so I have to admit that I am reasonably satisfied with the outcome of this week's Select Committee.

I agree with other speakers that the new school is a must, I am a little bit concerned about the siting of it, I am not absolutely

sure that the general public will be very happy with the proposed new site, I am not even going to say where it is, but I think we should be careful that we pick a site that suits everyone, that we don't start building something and find that there's an outcry from the general public. On education I'm pleased that we are going ahead and buying a couple more repeaters for teaching the children, I think that's very important; I'm very pleased about that.

Just to touch on one or two other things, Sir. Fox Bay Village: this week in my opinion they've been given a raw deal. I really do think because they are now a Government department and they look after their own expenditure to a fair degree, I think we should take the time and money to fly someone in to put their case to us. I couldn't help thinking after we'd discussed their part of the budget that none of us had real first hand knowledge of what's happening in Fox Bay; we've all been there but things change from month to month and there was no one in the room who in my opinion had been there recently and appreciated all their problems. I think in future we should fly someone in to put their case to us like any other head of department.

On the fishing theme, it's been talked about an awful lot this week, I have a couple of views. One is that I think we should encourage local companies, we've got a means of vetting them, we don't have to give licences to anyone. If we don't think they are performing, if we think they are a front, then we don't give them licences, it's as simple as that. So I don't think we should put anyone off, I think it's good to see Falkland Islanders forming companies for whatever reasons and I think they are more likely to do the Falklands good than anyone else, so I would be opposed to dissuading anyone from setting up a company; I think we have a good means of controlling them.

The other thing I feel strongly about is when we do look at the fisheries business and how best to manage it in the future we should set up an investment authority so that anyone who's got a hundred pounds to spare and wants to invest it in fishing I think he should be able to do that; he should be able to go along to an authority, put his money in and watch it grow and participate that way. I don't think it's fair to expect each and every one to form a company if they want a share in fishing.

One other thing, the state of Stanley I think everyone can see it's in a terrible mess at the moment and it is pretty depressing for people who live here. A lot of people noticed that just a coat of paint on the Town Hall made an awful difference to the appearance to this part of Stanley and I think we should spend money and time trying to keep Stanley tidy while we go through this development period. A lot of tourists visit the place and they are not going to be very impressed this year when they see all the pavements torn up, I know it has to be done, but I can't help thinking we should put some tar seal down or at least tidy the place up when the summer comes.

And to end on, the Governor's taxi: I've been getting a lot of stick about this, but I feel strongly that it's a part of our heritage now and if we do replace it it should be placed in the Museum, or somewhere. It should not be sold off to anyone, it's a part of our history and should be preserved. Sir, I wish to support the Motion.

The Honourable E M Goss MBE:

Your Excellency, Honourable Members, in support of the Motion for Adjournment I would like to speak on a number of issues that have either been taken care of during the week or are now receiving attention.

As opportunity permitted during the budget appraisal, the deliberations were spiced with matters of varying importance that concerned the public. Where possible solutions were found for some of the problems and heads of departments readily took on board problems that did not lend themselves to immediate solution and I thank them for their interest and in taking this on under the pressures we were putting on them.

For me the budget session began on a fairly high note, when I was given assurance on Monday the 23rd that £110,000 was set aside for the repair of the Fox Bay East jetty. Three days later the point was lost to a more popular cause, with the money being better placed, so I am argued, to improve tracks on West Falkland and possibly mooring points for m.v. "Ferry Lee"! However, we can't win them all because the wider public interest must always come first. So my beginning of the week on a lovely sunny day was soon covered with clouds.

Anyway, the adjustments to personal income tax was accepted by all Councillors; everyone was in agreement to that one, there wasn't too much struggle. But I would like to see bigger allowances to the agricultural workers outside of the Stanley area. I don't know how we are going to do this, but what I can say is that the Administration will be addressing this matter, with luck, before the next budget session. So people in the Camp have a little plum to look towards.

The proposed increase in beer, spirits, wines and heavy wines was not entertained, mainly in the interests of hotels, restaurants, public houses - especially the one outside of Stanley that was mentioned earlier on in the week - and of course Camp social occasions. I was pleased to witness all Councillors exercising wisdom in arresting increases in this quarter for the second year and I don't think we can really hold too much hope on continuing this trend in the future. I do realise that we will have to move a little bit, but now hopefully the prices are now on par with supermarkets and off-licences in the UK.

If you will excuse me, Sir, I'm not reading, I'm just turning over a page of notes to refresh my mind; the rent on Government houses was increased by a modest 10% in keeping with the cost of maintaining the proportion of services, and I might add here that people in the private sector, the householders, they pay rates to cover those services, but those in Government houses do not and it's a very costly operation. Also, I am told that decoration materials can be obtained from the Government stores for improvements or brightness to their homes, but the private sector have to buy their own.

To go on to deal with other matters of public interest, for those who enquired about the advance publication of Bills before coming to this Table, I am told that we have had delays in the past due to printing problems and staff shortages. These have largely been overcome, the Gazette boards which are often mentioned are

not in use nowadays because they could not possibly take the volume of paper that is produced in the Gazettes and it is much more comfortable to read them in the Public Library where they are always available and additionally a copy is displayed in the Secretariat foyer.

Concern has been expressed over the loss of revenue from 2-metre licences operated by fishermen who support the fishing service, either onshore or in the little boats. It is causing a congestion of all channels and the people who have mentioned this point will be relieved to learn that a new licencing plan is being formed and certain channels will be allocated to certain traffic, so the problem should be resolved in the near future and of course our revenue should increase slightly as well. It seems unfair that this is one area that the Camp people are actually paying for, because they pay their licences, but I do believe in Stanley some fishermen have gone along to buy their licences from the Post Office and have not been able to do so because there was no clear directive on what sort of channels they should be using, or maybe they had slightly different types of sets. But the Administration is looking at the matter.

The security on cargoes landed at FIPASS has been raised; we discussed this with the Head of Fisheries Department and he is looking into ways of bringing the problem under control. But it is a problem, he's also explained to us he has a lack of staff and receiving and looking after cargoes had never really crossed his mind, but he's got the large warehouses and there is general cargo discharged from ships that come in from East Cove and some of this cargo has not been looked after properly, but I am assured it will be in the future; so that should ease the minds of those people who have been worried about it.

At the beginning of the week I mentioned in response to your opening Address, the problem of congested roads in front of business areas and mainly to deal with Ross Road and the business part of Stanley. Well I can happily say, perhaps I can feel a little more happy than Councillor Cheek, whose playground has been stomped all over, and he hasn't completed it, that in this area of my interest we've made some progress by agreeing places for use of car parks to clear the congested areas, and I understand FIC Crozier Place office staff will soon be parking their cars behind the office block. There are plans to make other parking space available in that area for future shoppers and hopefully workers of that vicinity in warehouses or stevedores for the jetty will make use of that parking space leaving the road clear.

Ideas have been exchanged in the full use of the old Stanley Arms site for car parking. The site at the East end of Crozier place may be a car park, we have talked about it, and I think there probably is a fair chance it will be, although I do expect the Deputy Director of Public Works will want to reserve a central island to plant a few trees on. He has expressed that wish also, but I'll grant him that one.

As you know I've already suggested both ends of Victory Green to be made available for this purpose. If PWD workers followed the good example that has been set by the FIC Stanley office workers, or will soon be set by the FIC Stanley office workers, and park their vehicles in the dockyard, to leave the road clear, lots of

credit points would be gained by them and I hope they will take that on board and look at some of the areas they have been reclaiming in front of where the old garage used to stand and maybe park their cars there. I know it is nice at knock-off time to clock in and rush out into your car and if you can find a gap out on to the only stream left on the road to make your dash home or the shops - where you won't get in because there is a full line there anyway - it's probably got its attractions. But I would like to see Ross Road in particular left clear for a two-way flow of traffic.

Now if we move from the Stanley roads a little further out to the patching of the tar seal on the MPA road, this seems to have slowed down. I don't really know why, I know the weather hasn't been favourable perhaps for the job all the time, but I do hope this work will continue in the future and probably at a faster pace. What I did notice as I drove along the other day, was that some of the earlier repaired patches have subsided, and we haven't even caught up with the last section; two sections have been worked on but there is one section that doesn't appear to have had any attention at all.

I welcome the recent birth of some of the local fishing companies and I would like to see more of them formed so the brave people who have taken the plunge to form themselves a new company, regardless of the warnings there have been about fronts, I would like to see more of them do that; they are a front but with the extra revenue generated from the fishing industry into their new businesses I am sure they can use their intelligence to build something for the community that everyone can get the benefit of.

I can't agree really with Councillor Lee again, I don't believe we can expect to buy many fish for £100.

Sir, I beg to support the Motion.

**The Honourable Mrs W Teggart:**

Your Excellency, Honourable Members, in rising to support the Motion for Adjournment I have a few very brief comments I would like to make. I was asked by a Senior Councillor this morning if being a Member of Legislative Council was anything like I thought it would be and my answer to that was: "no, absolutely not". I feel that some of the sessions that actually take place in Select Committee, if the general public knew what was actually going on they would be amazed with the enthusiasm and vigour and sometimes a touch of animosity that goes into the discussions that take place. Having said that, I don't think I have particularly distinguished myself with the Financial Secretary this week; it's his last budget and my first, but I believe as I said I've distinguished myself by being opposed to almost every price increase that he wished to make.

In particular I would like to mention the rent increase for Government housing. I found myself very much alone in being against that; I do realise that 10% isn't going to break anyone's bank particularly, but my feelings were mainly that maintenance on a lot of the properties is long overdue and I felt that although a price increase might have been in order that it

shouldn't necessarily be right across the board and individual cases should maybe have been reviewed on their own merits.

In particular, and this only occurred to me this morning, and I wished that I had thought about it earlier in the week because it might have given me a little bit more support, I am a bit worried about sheltered housing; this of course does come under Government housing and so of course our pensioners in the sheltered housing are also going to have a 10% rise in their rents. And I feel that although we have given a rise to the Old Age Pensioners we are really giving with one hand and grabbing back as much as we can with the other, and that is something that, as I've said, I'm not very happy about.

The duty on cigarettes: I believe that people smoke for a variety of reasons and it's not always hard to categorise exactly why somebody does it; everybody is well aware of the health reasons for not smoking. I believe a 30% increase or a 150% increase: if people want to smoke they are going to do it. I think if we make cigarettes too expensive perhaps for a lot of housewives with young children, and it might be their only luxury, to sit down at the end of the day with a cup of coffee, put their feet up and light a cigarette, I think that perhaps if we price them out of their budget then they will perhaps be on tranquillisers or something which is equally as hazardous. Anyway, once again the Honourable Member for West Falkland and I stood alone.

I was pleased to note that in the budget there is provision this year for a small payment for prisoners who are resting in the jail for a few months, albeit for whatever reason. I know that while they are there they do undertake some valuable work which I believe that if it was put out to contract, as it would have to be if they weren't there to do it, it would cost us substantially more than the small sum that we are prepared to pay them every week. And I also welcome the fact that Government will be meeting the cost of their OAP contributions while they are in jail. I feel in some cases once you get out to have to turn round and then be met with a hefty bill for unpaid OAP contributions sometimes might add more problems to whatever problems they already have.

I welcome the addition to the Estimates of some provision for a ferry for West Falklands. I think that we've all heard about this so often, I've only been on Council for just over six months but you reach the stage where you hear the ferry mentioned and you put your head in your hands and groan, not necessarily in these Chambers, I don't think it's quite the done thing, but certainly in Select Committee the ferry was raised and we all groaned. The Councillor for Camp actually got ahead of me in his suggestion for a name, I had thought perhaps "Robin's Pride" might have been quite suitable! But anyway I'm very happy to see it in the budget. A word of warning perhaps to farmers, particularly the small farmers on the West, I don't know how they are going to feel about the influx of Stanley residents that they are going to have every week with their tents and camping equipment who are going to arrive on the ferry and then proceed to tramp all over their farmland; I'm sure they are going to cope with it admirably when the time comes.

I am very much concerned about the situation outside the Junior School on John Street and I would echo what Charles has said

about provisions for pavements going each way. I did in fact have cause to speak to the Chief of Police on this subject some time ago and I do hope that something will be done to make it a lot safer for our children. I walked down the road the other day when there was traffic flowing, and I mean flowing, in three directions, that road isn't that wide, there were children leaving the school and there were vehicles moving up on the grass.

A great deal is said as well on the subject of family allowances and things of that nature; I am very pleased that we have had a rise in them again this year, so much is often said about keeping our finances on a par with UK, and this is one area where we fall down very very badly and I still think that there is room for more of an increase in family allowances in the future.

I was pleased also that the Public Works Department have actually been putting out announcements to inform the general public of when roads are going to be closed due to the water mains that the Crown Agents are putting in. That is a very satisfactory situation and I hope that it continues.

Sir, I beg to support the Motion.

#### **The Honourable The Financial Secretary**

Your Excellency, I noted a few points that have been raised around the Table this afternoon which come into the financial area. The first one I made a note of was the taxation of investment income. This brought up by the Honourable Member for Stanley, Mr Cheek, and I can assure him that this matter will be considered with the tax study that is to take place. It relates particularly to old age pensioners.

The point raised by the Honourable Member for West Falkland, Mr Lee, on closer contact with the Fox Bay Agent in connection with the budget has been noted and I agree entirely with him that we should ensure that there is communication between Fox Bay and Stanley.

On the point raised by the Honourable Member for Camp, Mr Goss, on allowances in the taxation system for agricultural workers in the Camp: I think we must give it some consideration, I am not sure that through the tax system such a measure would be powerful enough to achieve its objective. However we certainly agreed to consider this matter or some other measure; it probably won't be easy because there is one point that I would like to mention at this stage: while there are problems in getting people for the Camp, there are also major problems in getting people for Stanley.

The points regarding the rent for sheltered accommodation, I will need to look at this a little closer and will not commit myself any further at this stage, but the Honourable Member Mrs Teggart did make herself known quite strongly in the Select Committee meeting and it was good to have some strong opposition.

In your Address you mentioned that some people would be leaving us, people who I've been closely associated with, and of course

the first is the Chief Executive, Mr Cummings. I must say that I've enjoyed working with him and I think that he has contributed enormously and he has certainly assisted me on many occasions. In particular I like his style of drafting. In Executive Council when you read a Memorandum it's not very long, it's to the point, and I've found that particularly good.

Some other officers who have been in the Service with me for a long time who are leaving with me at the same time, I've had enormous help from them, in particular from Mr Rex Browning; I've always found him a champion when it came to administrative procedures of protocol which I'm not too well up on, but he was always willing and helpful to advise me. Mr Bill Etheridge, who has also been closely associated, because the Post Office do raise a fair amount of money with stamps, and I will certainly miss him. Also in the same department, Mr Bill Roberts, although I don't have anything to do with the technical side, I've known him and I know the service he has contributed to the community.

I must say that I was very touched and moved this morning when Honourable Members moved a motion of thanks, and I especially thank the Honourable Member for West Falkland, Mr Blake, for doing it, but I would like to remind Honourable Members that I am only the front man. There is a whole team behind me in the financial area, from all heads of departments and their staff, there's an enormous amount of work carried out by them, and in particular in my department I have an enormously efficient little staff - for instance Derek Howatt, whom Honourable Members have seen working this week at Select Committee, Kathleen Clarke, who did an enormous amount of work on producing the Estimates, as did Michael Luxton, Linda Lyse, Marie Cheek, Ann Morrison - there are not quite enough to carry out that work, we are served by a few part time people, but it is good to think that there are some younger people left coming up and I think these people have a future. In the Income Tax Office I have two very good people in Peter Biggs, and Shirley Hirtle. We have Jim Stephenson who has just been transferred to the Post Office, who has carried out enormous difficult task during the issue of petrol, kerosene, etc in the Central Store. This reminds me that we have very able people in the community, but there's just not enough of them.

I thank Honourable Members for their very kind words this morning; I hadn't realised that they could speak two languages: English first, of course, but the other one that they managed to speak this morning was very new language, it was invented by a well known entertainer and it's called "inflationary language". However, thank you very much.

I'd particularly like to say how much I've enjoyed working with you all here and in other places. For instance I am a member of the Joint Liaison Committee with the military and before that committee there was a committee known as the Rehabilitation Committee here - as a matter of fact it started in my office a few days after the war in 1982, and we eventually moved into Government House when we could, with Sir Jeremy Moore and Sir Rex Hunt - and that committee was a very active committee: we had a meeting every few days in the first instance, and the enormous amount of help that the military gave us then I think it's very fitting that General Carlier is with us today, because I can assure him that the men from his unit in particular, the Royal Engineers, gave us terrific help, unbelievable.

And at this point I would like to mention how much we are enjoying the life here in the Falkland Islands since 255 men died and 777 men were wounded, and a whole number of troops from the Army, Navy and Air Force have assisted in making this place a better place to live in. It is better now than I've ever known it before. I've said this to journalists recently and they quoted me out of context but I believe that we are now on a sound financial basis, we need to be careful, look after the place, and I certainly intend to stay here to help to look after it in some way or the other despite the fact that I'm leaving the post of Financial Secretary. And all I can say is that I believe and hope that the Falkland Islands shall develop and flourish under the Union Jack.

#### **The Commander British Forces:**

Your Excellency, Honourable Councillors, I rise to support this motion in what must be I believe my last Legislative Council, as I leave these Islands in two months' time. It has been for me, so far, at least, one of the most memorable and enjoyable tours that I've ever had I think in my military career. Memorable for many ways, really, not only just the fact that I have command over three different services here, but also that I've been able to enjoy and take part in such Council meetings as this, where I hope that we have had a good debate together and I've been able to contribute perhaps a little bit to the life of the Islands, about which several of the Honourable Members have made kind remarks.

I would in return, I think, like, purely as an impartial observer, to commend Honourable Members and Government officials, and I must use those both together, for the amount of sheer hard work which they have put in on behalf of their constituents and also for the community at large. I have been very impressed by the amount of time that Councillors give to their duties in view of their other responsibilities which they hold, and I think we all owe them a great debt.

Now on Monday I asked you, Sir, and Honourable Councillors, permission to review the military scene in some depth when we came to this session rather than dealing with it on Monday, and because unlike the Councillors here who will be here to answer the points that they mention and can come back to their constituents, as I leave, I do not wish to let my successor have problems of answering problems which I have raised incorrectly and so I am going to refer to notes more readily than I've noticed that your Councillors do on the whole.

But I would like to briefly mention those areas where in the last ten months of carrying out my responsibilities I've had most dealings with the Falkland Islanders and your Government in particular. And the first duty of course of any government is to defend its citizens, and I have to say it has been a great privilege for me to be in command here of the Falkland Islands garrison during the period of exercise Fire Focus in particular. In the United Kingdom, so clearly demonstrated to you and to the world at large, the scope and the extent of its commitment to these Islands. I doubt very much if an exercise on this

particular scale will be repeated in the immediate future, but I can assure Your Excellency and your Honourable Members that it provided considerable value in terms of the lessons we learnt and this of course can only be of great benefit in enhancing the security and the defence of the Falklands. And I'm particularly grateful to those members of the community, particularly the landowners, who afforded me the opportunity to exercise over their farms, as this greatly added to the realism of the exercise, and I'm happy to say we've had very few complaints.

While on the subject of operational matters, I think it would be entirely appropriate for me to mention the valuable and the close working relationship which has been developed over the last few months, particularly, with the operational side of the Fisheries Department, under the able direction of the Chief Inspector of Fisheries, Captain John Jackson. Now his role of surveillance of the Falkland Islands Conservation Zone, and mine of patrolling the Falkland Islands Protection Zone, have so much in common that it seems to me to be entirely sensible that we should have a very close relationship. This could not operate the same level of success we now achieve without much understanding and co-operation and flexibility on both sides, and I believe there has been very real progress here of late.

And continuing on the operational theme, I have to applaud the considerable time and effort devoted by your own volunteers, Sir, of the Falkland Islands Defence Force, who provided such an excellent guard force, I believe, at the opening of this session, and performed very well indeed at the parade celebrating the Queen's Birthday last month. The Defence Force played a part as well in exercise Fire Focus and I believe they learnt, like us, a great deal. And with the appointment of your new Permanent Staff Officer, Captain Robin Bell, I now look forward to integrating the force more closely with my own efforts and my own methods of operating to our mutual benefit. Already useful discussions have taken place and I believe that further progress should be very apparent in the near future.

I now turn to less war-like matters. Just as I took up my appointment as Commander British Forces, we were fortunate in having the King Edward Memorial Hospital declared open for business, which was on the 12th of August, and then the official opening of course followed in December of last year. Now this excellent new facility for the Falkland Islands and the arrangements which were agreed between the Ministry of Defence and the Foreign Office for operating the Hospital and for sharing the costs are quite unique in my experience.

It is a great credit to the staff, both military and civil, and all concerned with the running of the Hospital, that I believe it runs so well and has contributed to the community within such a short time of opening. In this regard, I once again pay tribute to the work of Dr Derek Murphy. Let no one be in any doubt that under present arrangements the Ministry of Defence is fully committed to the KEMH. Naturally we are always concerned with getting best value for money for the defence budget, and you similarly for the budget of the Falkland Islands which you have been concerned with over this last week, and so it is right and proper that the operating and the cost sharing aspects of this hospital should be reviewed from time to time by both parties which are involved, and this I am certain will happen. But these

matters should not detract from the declared basic underlying principle that this is a joint military and civil venture which is going from strength to strength and must continue to look after the needs of the combined community thanks to the dedicated and able staff who are working there at the moment.

I think it would also be appropriate for me to mention what I believe to be the good relations that exist between the civilians and the military community. On the military side, the last year has, regrettably, seen us established at Mount Pleasant Complex. There are obviously good military reasons for consolidating our presence at Mount Pleasant but one major unfortunate consequence is really that we are no longer able to meet so much with the local community and have direct contact with people here in Stanley. This I believe to be a great pity; but there have been some positive steps which have come as a result of our movement to our isolation up in Mount Pleasant.

My Staff Officer, whose job it is to maintain contact with the civil population, and who deals with any problems which may arise, and generally foster goodwill on both sides, has done much, I believe, to generate a good understanding between the two communities. As you are aware, Sir, I send out patrols of infantry throughout the Falklands and I would like to record here my appreciation for the very warm welcome and the hospitality which these men receive from every community which they visit almost without exception.

It is important for the serviceman during his short tour to get out and about and see something more of the Falklands than just the sheer massive part of Mount Pleasant Complex, and I am grateful to the pioneers here who have supported the Sunday lunch scheme, which draws the two communities together on an informal basis, and I commend it to anyone who would like to help foster good relations between the temporary and the permanent populations here in the Falklands. And I think it would be an encouragement if this could be expanded particularly during the not so pleasant weather when the servicemen can't get out and about quite so much.

In reviewing civil/military relations I must mention how well my headquarters staff and those of the Falkland Islands Government administration work together to resolve mutual problems. In my time here we have reached agreement on financial arrangements to hand over FIPASS to you, which I believe will be of considerable value to the community in time to come. In addition, we have reached an amicable settlement on compensation for the damage done by military vehicles to Ross Road East and in other areas. The Stanley Airport, however, the restitution of this, still remains outstanding, but you are aware, Sir, that it is my particular desire to resolve this matter before I leave, and with the good will which exists on both sides I am hopeful that we can finally resolve this matter for the benefit of all.

I am also pleased to report that when the military operational requirements have permitted, we have been able to help the civil power here with a number of community projects which they may otherwise have been unable to implement, and I refer in particular to the help we have given or will be able to give in the near future, to places like Fox Bay Mill, the Walker Creek project, at Mengeary Point, and with fire-fighting and other

smaller, less formalised help at a number of places in Camp and shortly to be in Stanley as well. And in addition, during my time here, we have responded to 20 calls for helicopter evacuation to those where loss of life or limb has been concerned and in most cases, of course, 70% of this, has been to those involved in the fishing industry.

And I must make special reference to the EOD Detachment here in Stanley, without whose efforts we would have been unable to make progress on the new refuse facility in Eliza Cove and have the prospect of re-opening the fine beaches at Gypsy Cove to access by the public, which I hope will shortly be of benefit to you. And whilst I'm talking about the EOD team, it would also be appropriate for me to pay tribute publicly to an understanding Falkland Islands Government who has agreed to share the costs of providing a more permanent operational office facility for this detachment, which will permit continual central access for the community to this vital public service supplied by my men here in Stanley.

Now I have been very delighted to continue the past tradition of providing free live entertainment here in Stanley in the form of the Combined Service Entertainment shows, band concerts and lectures, and these I believe have been well received, as of course they have been by the serviceman or the servicewoman whose morale always has a place of priority in my thinking. The move to MPA has in many ways added to my difficulty here, although there are compensations as I have described. It may be that Councillors will wish to consider, now that the financial problems in the Islands are much less than a few years ago, ways in which they can contribute to the welfare of those posted here to defend these Islands, in some form of recognition for what is done for the community. BFBS plays an important role over maintaining morale and the arrangements with FIBS are, I believe, working satisfactorily to our mutual benefit, but I am aware of course that there are problems at the moment with the HF transmitter and that will have my attention.

Finally, Sir, I would like to end where I started and that is at Mount Pleasant Complex itself. It was a historic day when you and I signed the formal lease for the Mount Pleasant Complex on the 29th of April, after much negotiation between the FCO and the MOD, and this formalised the arrangements for the civilian role at Mount Pleasant alongside the primary use for which the airfield was built. In this way the military again contribute to the developing economy of these Islands. These are very exciting times for the Falklands: money is flowing into your economy from the fisheries and the injection of major sums from the defence budget is largely over and it is right that the emphasis now should perhaps swing to civilian development; and Mount Pleasant Airport has a role to play here, and you will find us ready to co-operate with your Government over any plans for the handling of civil aircraft which are likely to feature in the future.

My wife and I have come to love these Islands, we love the natural beauty, we love the people, and we shall be sad to leave. But I know that my successor, who is Air Vice-Marshal Crwys-Williams, who, incidentally also has young children as well, is very much looking forward to his tour, and I know that he will be assured of a welcome just like the one that we have been given. Your Excellency, I beg to support the Motion.

The Honourable The Chief Executive:

Your Excellency, in rising to support this Motion, because of the particular occasion I will take the liberty perhaps to strike a theme and do a little looking back and a little looking forward as well as hopefully responding to some points which have been raised by Honourable Members, both during the course of this afternoon's debate and in much more detail actually during the Select Committee, and I would again like to pay tribute to the tremendous work that the Councillors did during the course of this week; they really put a tremendous amount of effort into it.

What Councillors heard today and the population at large will hear later when we confirm the Budget with a figure of Government revenue of £34.5 million. I would just like to try perhaps and put that into perspective for people: £34.5 million represents a real wealth far in excess of any level of income achieved in any European Community country, and certainly far in excess of per capita income in the United Kingdom.

The development budget alone which we have approved, of over £10 million, represents, if that is translated into U.K. terms, a sum of money equivalent to £250 billion on development alone, which in fact is one hundred billion pounds more than the entire income of the United Kingdom - that shows and demonstrates starkly what has happened in the Islands since the declaration of the Zone. The Zone of course was declared in October 1986 by the British Government, and the Zone of course not only created but in fact is maintained by the British Government at a considerable cost to the British taxpayer, and I think when we are looking and dealing with the sums of money that we are we have to bear in mind the importance and why the British Government is so interested in things that are happening in the Islands.

I would like in fact to try and cover most of the areas of expenditure that were discussed during the week and I'll probably please the Honourable Member for Camp, Robin Lee, because in fact I would like to start with Camp. I think certainly this year the emphasis quite properly has gone not away from Stanley but in fact has moved towards the reality that Camp is there and if it's going to be maintained and the traditional structures survive then Government actually has to take positive steps to do something about it.

We heard during the week about the pressures on individual employees to move into Stanley and clearly those pressures are going to continue and we also heard of course about the problems which are created for the individual subdivision owners and indeed the other farms, the bigger farms out there, in being able to afford the kind of wages and salary levels that are paid here in Stanley. I think the traditional structures which have been broken down by the implementation of the last few years of the subdivision policy has been a good thing.

Money has been provided again for 1988/89 for a continuation of that policy, but the investment decisions that have been taken by Councillors will demonstrate clearly to everybody in Camp that Government does care about the individuals out there and their future. You have heard that the telecommunications system is going ahead; for that into Camp will cost something like £2.6m. There is already a considerable subsidy paid to FIGAS; in

addition to that, the recent decision in support of the subsidy for Coastal Shipping has brought about a fundamental change in freight rates, and indeed Government in this budget has voted a further amount of money which obviously will enable something positive again to be done about the freight rates.

Lastly in terms of positive decisions, the ferry, which gets so much talked about: provision has been made for it and of course I should have said, the most important one of all as well as the ferry is the Camp tracks themselves, and one million pounds has already been earmarked for that, so the plea from the Camp Councillors for their colleagues to support them in their claims and demands upon the resources that are available I think have been met and I do believe that Robin Lee can go back to Port Howard this year feeling reasonably satisfied with what he's achieved.

There are in fact also a number of matters which Government has undertaken to look at in the incoming period, I did mention the question of the cost of wages; it is not possible in law to differentiate in tax terms between individuals in the manner that was suggested by one Councillor, but it definitely is possible to give grants in the agricultural sector for employees and that's something I think that could usefully be studied.

I would like to say that Government is a little disappointed that more progress has not been made in the farming community itself in forming an association or structure which would represent the interests of all farmers. We do know the problems that there are for the existing organisation and for getting a new organisation off the ground, but we really do believe it is in the interests of everybody in the farming world to speak together for agriculture with a single voice, and I think the proposal which was endorsed by Councillors and money provided to allow a one-way fare for Farmers' Week later in July I think is a very good thing, and, hopefully, perhaps as a result of that, we may get something quite positive emerging from it. I do think it's something we should pursue but the initiative really has to come from the farming community itself.

I would like to turn now briefly to education. There's a challenging period ahead, we heard earlier the tributes paid to Eileen Murphy during her spell as Chief Education Officer and a new appointment is about to be made - unfortunately I can't announce it at this stage but it certainly should emerge during the course of the next few days. He or she is going to have a very challenging task; Councillor Cheek has spoken about the necessity to do something on the school-leaving age and the accommodation problems that currently exist. It's quite clear and Councillors have already voted vast sums of money indeed for the new Senior School and also for the work that will have to be done in the Junior School. These two projects will probably represent the biggest single capital expenditure items in the Islands over the next three to five year period.

On housing I think probably, certainly for the first time in my spell here, during the past week there has been an intense debate on housing. We have seen in the Estimates themselves the enormous provisions that have been made for the new Jersey Estate and for an ongoing housing programme and of course the money provided for the housing itself is not the end of the story, and

several Councillors raised these matters. We have the cost of services, which is very, very considerable indeed and Councillors came forward with quite a number of good ideas which I think the administration should be able to take forward to bring about an improvement to get more houses erected and hopefully erected more cheaply. As I was saying, the cost of housing isn't just the cost of building, and the cost of services: the cost of maintenance goes on for ever until your property eventually falls down.

But in addition there is the question of what is the cost of the subsidised rents. Councillor Teggart I know feels pretty strongly, and she obviously has a very sharp social conscience, but I think the difficulty is that Government at the moment does not know the true cost of housing in the Islands, and I think the suggestion that a complete housing review should be undertaken is a very good one and it certainly will require an expert - I know we always seem to be calling for experts - but here is a very specialist area indeed and I don't think there is a competence within the Islands to do the basic ground work. I think that review will be most important and will lead hopefully to the formulation of a good housing policy which makes sense in the Islands. I think some elements of it will probably be extremely controversial but hopefully will encourage a trend that might be good in the longer term for the Islands.

I'd like to turn to an aspect of fisheries which relates perhaps to the opening remarks I made and that is the management aspect of the fishery, and I was grateful for the thanks that the General paid to John Jackson and his team for the work they have done during the past year. I think we must remember, and Councillors are very well aware of it indeed, the monies they have voted for fisheries next year, £6.5m, illustrates this. There will be no wealth for the Falkland Islands at all in the future from fisheries if we don't get that management right and that management means that we have to get the right decisions based on the right advice from very professional and very highly paid people. They comprise really the two elements, the initial advice and stock assessment and management that we get both from London and, to a growing extent, from our own experts within the Islands here and the trend certainly is that we will do as much of that as we can locally and there will be changes in a gradual process starting this year and much more will be done in the Islands. But I think we have to accept that we do need these experts, both to police the Zone for us and to give us the management advice, and I think the money that is spent on that is well worthwhile, because it does give you the corner-stone on which your whole wealth and future is based.

I would like to say just a few words on licencing policy, which of course will be a matter to be considered by Executive Council in a few weeks' time, because it's not really too early to start planning and thinking about the 1989 season. I certainly welcomed the remarks from Councillor Blake. We will in fact in '89 be moving into the third year of the fishery and there will certainly be an expectation from the fishing industry that we should be moving towards a stable environment. I don't think that we can go on too much longer making fundamental changes in our system and indeed, for other reasons too, I think it becomes impossible really to distort the situation that you have; there is no doubt at all that local Falkland Islanders can participate

in the fishery and indeed from the measures that have been taken in this budget, a provision has been made to allow investment in the fishing industry. How that will be done and how much that is still to be decided, but if I could put a personal view on this one, I think what we are looking for really is real involvement in the fishing industry.

Council took a very strong view last year on the role of middlemen. Last year those middlemen were not Falkland Islanders, they were from outside the Islands and it was quite clear that substantial income which could have been in the Islands found its way into the pockets of people who had no right to have that money, and a very firm decision was taken about the payment of commissions. I think that decision was right. I also think it would be wrong to go back to a situation and create Falkland Islands middlemen; I think really as I said a few moments ago, Government will be prepared to invest in local companies, but local companies who really want to do something and to make their future: I don't think you ever get anything for nothing.

I would also ask those people who are thinking of making their future in the industry, to think about the realities of the commercial situation. Each fishing vessel, be it a jigger or a trawler, costs many millions of pounds; the vessels that are fishing down here have been paid for by mostly large companies or co-operatives or similar kinds of associations with vast sums of money and resources behind them. How long is it going to take one company to build up the necessary capital to actually own such a vessel? Quite some time; and I certainly was pleased on a couple of occasions I have heard Councillor Cheek on this very subject, where he has said, and I think he is absolutely right, that you can definitely achieve that but it does take time and it will take a lot of hard work. But I think Government will be willing to respond to such individuals and be prepared to give appropriate financial assistance to let them achieve their objectives.

Another aspect of Government policy which certainly has come up during the budget discussion is the question of charges, and I was talking a few moments ago about Councillor Teggart's social conscience. Quite clearly, currently in very nearly every sector subsidies are already paid by Government - whether it be in housing, electricity, hospital care, you name it: Government is subsidising. I think as people's incomes rise there is no reason why in fact they should not pay more for the services that are being provided. You don't have to continue to subsidise right across the board, it's possible to make special payments, let's say of a welfare nature, to the people who have a real need, but there is no reason why our scarce resource which is what we are talking about at the end of the day, which could be going to something worthwhile, should be used to subsidise a person who doesn't need such a subsidy, and I think Government will have to look very carefully at the level of subsidy in all the areas of services and I certainly hope that Government would be to move towards a rather more realistic pricing policy. I'm sure that won't be very popular, having said that!

I would just on a number of individual points really - several Councillors raised the question of the present fuel costs and in particular the cost of diesel in Stanley. I certainly can give

this House an assurance that both as Chief Executive and as Chairman of Stanley Services I will take this matter up as a matter of urgency next week to ensure that in fact we are getting fuel at the right price in Stanley.

I would then like to deal with the question of staff. During the opening session actually I did say quite a bit about the staffing situation and I would just like to repeat the assurance that I gave Councillor Cheek earlier in the week that in fact Government does appreciate that people doing the same job with the same qualifications should get the same pay and we will move as quickly as is feasible towards equal pay in that situation - recognising, and I think Councillors all do recognise this, that because there is a requirement to bring people in from outside to do the job and they need to be attracted here, a sum of money on top of the basic salary has to be paid, but I think it is possible, and Councillors agree that it's possible, to do that without distorting the actual pay structure so that you can pay gratuities and education fees and so on; but I think the principle of equal pay is one that Government can readily accept.

Councillor Blake asked about the hydatid survey and the possibility of the Chief Medical Officer tackling the AIDS problem. I can confirm that the hydatid survey will go ahead later in the year, about October I think, and the Chief Medical Officer has been asked to consider how in fact an AIDS programme could be mounted. Quite clearly it is a matter of fundamental concern to Councillors and clearly to individuals and the CMO doubtless will come forward with a positive recommendation in the near future.

Quite a number of Councillors also spoke about Stanley and the general environment, including roads, etc. I think we have begun to make a start; I think the new Director of Works, Charles Carter, has done a good job and he is getting on with the programme as quickly as he can and I think in fact the presence of a number of St Helenians has undoubtedly improved his ability to complete contracts. It certainly was good to hear from Charles that not only are they integrating well into the workforce but in fact they are also performing well and in fact almost as good as any other people in his workforce and I think that is a healthy development.

The amount of money that we are spending on I suppose what one might call general environmental improvement isn't much but I think it will begin to show in time, particularly the tree planting - that is if Councillor Goss hasn't turned the whole area into a car park! We have agreed, I did assure the Councillor earlier in the week, that we would look at the question of the provision of car parks because it clearly is a bit of a problem.

I'm almost finished; I think looking to the future the scene is set reasonably fair. We know we have the security which is provided by the military, which the General has referred to, and that creates the framework in which Government can function. We most definitely have the potential given sensible management for a level of income over the period ahead that is definitely more than adequate to meet the needs of these Islands.

I think there are problems, just the sheer complexity and pace with which things are happening, and the difficulties that

creates for Councillors and the administration alike, and the relationship between those two elements of Government is terribly important. It's certainly been interesting for me to watch that the pressures which have been on officials have just been as great, indeed more, on the Councillors themselves, and of course the people who are elected councillors tend to be the leaders in the community and also the people who are successful in their businesses, so they are under pressure in their private capacity and pressure in government as well, and I'm not sure how this particular issue is going to be resolved. It's certainly for you, Your Excellency, and your successor, and my successor too, to tackle, because the time needed to run these Islands, and the time available, are two very different things and I am just not sure of the way ahead on that.

I think that what is probably needed is a system whereby Council actually set the broad framework of policy and then the officials are actually given greater discretion to run the administration, once that policy framework has been built up; but as important, and I think this emerged from the discussion on the Finance Bill, officials must be accountable. So in fact Councillors are in a position to ensure that the policies which they have decided are in fact being implemented by their officials, and I think the kind of procedures that we were talking about in a financial sense this morning could be usefully extended into other policy areas too.

I will be leaving the Islands as soon as next Saturday. I will be going with sadness, with a lot of good memories, not too many bad ones, I will certainly be watching with interest the future development of these Islands and I am just pleased that I was given an opportunity to play a small part. Thank you very much.

**The President**

The Motion is that the House stands adjourned sine die and the House stands adjourned accordingly. Thank you.

QUESTIONS FOR WRITTEN ANSWER

QUESTION NUMBER 1/88 BY THE HONOURABLE R M LEE

Can the Chief Executive explain why, after Government paying Coastal Shipping Ltd a huge subsidy and handing over the management of MV FORREST, the service to West Falkland has not improved? One of the largest farms on West Falkland will have waited nearly four months by the time the next scheduled ship arrives.

**REPLY BY THE HONOURABLE THE CHIEF EXECUTIVE**

Sir, the charter of m.v. FORREST to Coastal Shipping Limited began on 1st February 1988. A considerable amount of maintenance work was required on the FORREST after the charter commenced. This, together with the usual problems attendant on taking over a 'new' vessel, meant that the benefits of operating MONSUNEN and FORREST together have taken longer than expected to materialise.

I am advised that it is normal for there to be approximately three months between calls to Camp ports. If the Honourable Member would provide details of the port of call concerned the matter will be pursued with Coastal Shipping Limited.

QUESTION NUMBER 2/88 BY THE HONOURABLE R M LEE

When can we expect to see FIGAS commence weekend flying?

**REPLY BY THE HONOURABLE THE CHIEF EXECUTIVE**

Sir, it is anticipated that limited weekend flying will commence to coincide with the next tourist season. Discussions are currently in progress between the newly-appointed General Manager of FIGAS and the airline's pilots and engineers on how best to achieve this much needed improvement in service.

QUESTION NUMBER 3/88 BY THE HONOURABLE E M GOSS MBE

Is thought being given to the eyesore known as Government Jetty, to either restore it to a presentable condition or demolish the broken and decaying timber work?

**REPLY BY THE HONOURABLE THE CHIEF EXECUTIVE**

The Government Jetty is not used except as a point for mooring when fuel is being pumped by Stanley Services into the high level fuel storage tanks, at the rear of the Power Station. Several small craft unofficially also make use of the structure.

The jetty is structurally unsafe but the Public Works Department has in the past maintained the decking in sufficient repair to

allow very minor pedestrian access when the fuel barge is operated. This usage will cease when the new fuel depot is built near FIPASS next year.

To demolish and remove the jetty, or reinstate it, would cost a considerable sum and no allowance has been made in the Estimates for this work.

QUESTION NUMBER 4/88 BY THE HONOURABLE E M GOSS MBE

When can we expect to see work begin on the new telecommunications network for the Stanley and Camp telephone system?

REPLY BY THE HONOURABLE THE CHIEF EXECUTIVE

Executive Council at its meeting on 17 May instructed officials to draw up a legal agreement between the Falkland Islands Government and Cable & Wireless PLC for the new telecommunications system for Camp and Stanley. Much preliminary work has already been completed and provisional orders placed for equipment. It is anticipated that, subject to completion of a satisfactory agreement and an appropriate licence being granted, work will commence before the end of 1988.

QUESTION NUMBER 5/88 BY THE HONOURABLE C D KEENLEYSIDE

What steps are being taken to improve traffic control in Stanley and are plans in hand for one-way systems or restricted parking?

REPLY BY THE HONOURABLE THE CHIEF EXECUTIVE

Following discussions last year between the Public Works Department and the Police Department concerning traffic controls for Stanley, the Public Works Department has ordered and is progressively receiving the necessary signs to put these controls into operation.

The agreed controls include parking restrictions, but no new one-way systems are required or planned.

QUESTION NUMBER 6/88 BY THE HONOURABLE C D KEENLEYSIDE

Has a plan for the repair of Stanley roads been formulated to follow the installation of telephone cable ducting?

REPLY BY THE HONOURABLE THE CHIEF EXECUTIVE

The telephone cable routes for the proposed telecommunications system are not as yet known. The cable contract, like the Crown Agents work for water mains, will include reinstatement of the trenches in roads to an acceptable standard. It is planned to have a systematic reinstatement of Stanley roads carried out but decisions on the timing, cost and method of repair have not yet been finalised.





RECORD OF THE MEETING OF  
THE LEGISLATIVE COUNCIL

held

6th September 1988.

RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL

HELD IN STANLEY ON 6TH SEPTEMBER 1988

PRESIDENT

His Excellency the Governor, Mr G W Jewkes CMG

PRESENT MEMBERS

Ex-Officio

The Honourable the Chief Executive  
(Mr D G P Taylor)

The Honourable the Financial Secretary  
(Mr H T Rowlands CBE)

Elected

The Honourable J E Cheek  
(Elected member for Stanley Constituency)

The Honourable A T Blake  
(Elected Member for Camp Constituency)

The Honourable T S Betts  
(Elected Member for Stanley Constituency)

The Honourable L G Blake OBE JP  
(Elected Member for Camp Constituency)

The Honourable C D Keenleyside  
(Elected Member for Stanley Constituency)

The Honourable R M Lee  
(Elected Member for Camp Constituency)

The Honourable E M Goss MBE  
(Elected Member for Camp Constituency)

The Honourable Mrs C W Teggart  
(Elected Member for Stanley Constituency)

PERSONS ENTITLED TO ATTEND

The Attorney General  
(Mr D G Lang)

CLERK

Mr P T King

PRAYERS

Prayers were said by the Forces Chaplain, the Reverend  
Glen Williams.

SUSPENSION OF STANDING RULES AND ORDERS

On a motion moved by the Honourable the Chief Executive and seconded by the Honourable the Financial Secretary Council approved the suspension of Standing Rules and Orders save in so far as they related to the business appearing on the Order Paper of the day.

ELECTION OF ELECTED MEMBERS OF EXECUTIVE COUNCIL.

(To serve during the period 7th October 1988 - 6th October 1989)

The President appointed the Honourable the Financial Secretary and the Attorney General to act as tellers for the purpose of the election.

Election of Stanley Representative to Executive Council

The first ballot was declared invalid owing to the fact that one vote was cast for a member representing the Camp Constituency. A further ballot was therefore taken.

The outcome of the second ballot resulted in a tie between:

The Honourable J. E. Cheek with 4 votes; and  
The Honourable C. D. Keenleyside also with 4 votes.

A further ballot was taken and this resulted in the following votes being cast:

The Honourable J. E. Cheek - 2 votes  
The Honourable C. D. Keenleyside - 6 votes.

The Honourable C. D. Keenleyside was therefore declared elected to represent the Stanley Constituency on Executive Council.

Election of Camp Representative to Executive Council

The outcome of the first round of voting for a Camp Representative was:

The Honourable A. T. Blake - 5 votes  
The Honourable L. G. Blake - 1 vote  
The Honourable E. M. Goss - 1 vote  
The Honourable R. M. Lee - 1 vote

The Honourable A. T. Blake was therefore declared elected to represent the Camp Constituency on Executive Council.

Election of Either a Camp or Stanley Representative to Executive Council

The first ballot resulted in a tie, as follows:

The Honourable J. E. Cheek - 3 votes  
The Honourable R. M. Lee - 3 votes  
The Honourable L. G. Blake - 1 vote  
The Honourable E. M. Goss - 1 vote

The second ballot resulted in the following votes being cast:

The Honourable J. E. Cheek - 2 votes  
The Honourable R. M. Lee - 5 votes  
The Honourable L. G. Blake - 1 vote

The Honourable R. M. Lee was therefore declared elected to represent the Camp Constituency on Executive Council.

The President then spoke as follows;

"Before I invite the successful members to take the Oath of Secrecy before the Attorney General, may I first of all congratulate those who have been successful in today's ballot, namely: on the ballot to represent Stanley the Honourable Charles Keenleyside; to represent the Camp the Honourable A. T. Blake; and to represent the Camp or Stanley the Honourable R. M. Lee.

And may I thank those who have served for the past year on Executive Council. It is a very demanding business indeed, and I would especially thank the Honourable T. Betts, who did not present himself as a candidate for re-election on this occasion, and the Honourable John Cheek. It is pleasing, in a sense, with so small a number to see a new member coming forward to Executive Council, and of course that distinction falls today to the Honourable R. M. Lee.

May I invite the three newly elected Executive Councillors to come forward and take the Oath of Secrecy before the Attorney General."

The Oath of Secrecy was then taken by:

The Honourable A. T. Blake  
The Honourable C. D. Keenleyside  
The Honourable R. M. Lee

ORDERS OF THE DAY - BILLS

**THE SUPPLEMENTARY APPROPRIATION (1988-1989) BILL 1988**

(A Certificate of Urgency was laid on the Table by the Honourable the Chief Executive in respect of this Bill)

**The Honourable the Financial Secretary**

This Bill, presented under a Certificate of Urgency on the recommendation of His Excellency the Governor, seeks provision for an unsecured and indefinite loan to Stanley Fisheries Ltd; also to cover professional fees and costs of an inquiry, all relating to the joint venture company Seamount Ltd.

Stanley Fisheries Ltd, which is a wholly owned company of the Falkland Islands Development Corporation, which in turn is the development wing of the Falkland Islands Government, guaranteed, in part, a loan of £5.542 million made to Seamount Ltd by the Midland Bank plc. The loan from the Midland Bank was negotiated under cover of Insurance by the British Government's Export Credits Guarantee Department (ECDG).

Insufficient funds are available from sources other than the Government of the Falkland Islands for Stanley Fisheries Ltd to meet the obligations to the Midland Bank and to discharge the ordinary creditors of Seamount Ltd.

Government proposes that Seamount Ltd's operations should now be terminated and an extra-statutory inquiry made into the investment of Stanley Fisheries funds in Seamount Limited.

The Supplementary Appropriation Bill now before the House makes the following provision:-

Firstly, an unsecured loan of £2 million to Stanley Fisheries Ltd for meeting certain liabilities and running costs of Seamount Ltd which are:-

First and second instalments to the Midland Bank for repayment of principal and interest on the £5.452 million loan	£1,035,766
Creditors	650,000
Working capital	314,234
TOTAL:	£2,000,000 =====

Secondly, professional fees relating to the implementation of a decision to terminate the activities of Seamount Ltd, estimated at £100,000.

Thirdly, the estimated cost of the proposed inquiry amounting to £50,000.

I beg to move that the Bill be read a first time.

The Bill was then read a first time. On the motion that it be read a second time Honourable Members spoke as follows:

**The Honourable the Chief Executive**

Your Excellency, Honourable Members,

The considerable feeling of relief that I experienced when I completed my last appearance in this House in April 1987 was clearly, to say the least, misplaced and premature. When I left later that month, I certainly expected to return to the Falklands but not so soon and as a tourist rather than as an interim Chief Executive. In that last debate on the Adjournment, in 1987, I warned of the problems which Honourable Members must expect to face on account of the establishment of the Fishing Zone because of the natural feelings of mistrust and suspicion which the complex workings of the Fishery would arouse. It is ironic that on my return to the Islands virtually my first task should be to have to try to allay the mistrust and suspicion, and indeed the righteous anger, that Honourable Members must feel over the so-called Seamount Affair and to commend to you the various courses of action which Executive Council considers are appropriate and necessary to restore confidence.

Before I apply myself to that, however, may I take this opportunity to say how pleased I am to be back in the Islands and to be once again addressing this House. It gives me particular pleasure to be supporting the Honourable the Financial Secretary in this debate. May I take the opportunity to add my congratulations on his well deserved Birthday Honour.

He has already outlined to you the specific purpose of this Bill and the particular items of expenditure to which it is to be applied. It is my task this afternoon to place his request for £2.15 million to be applied to the affairs of Seamount in a broader context both for the benefit of this House and for the benefit of the general public.

I will start by describing as briefly and concisely as possible, how the requirement for the £2.15 million has arisen.

I will go on to describe the actions which Government is proposing, Government's proposed overall strategy in relation to Seamount, of which its financial commitment is a major part.

Your Excellency, Honourable Members will appreciate that I have had till very recently no familiarity at all with Seamount and little time in which to prepare for this debate. The learned Attorney General has given up a great deal of time to briefing me. I am more grateful than I can say to him and it may yet be necessary to call him in aid still further today.

Firstly then, the background to the requirement for the £2.15 million. Seamount is one of numerous Joint Ventures established between Stanley Fisheries Limited, a wholly owned subsidiary of FIDC, and fishing interests outside the Islands, in this case Seaboard Offshore Limited from Scotland, in accordance with what was, till Government decided otherwise earlier in the year, Falkland Islands Government policy. In common with other Joint Ventures it planned to purchase and operate trawlers, the "Mount Kent" and the "Mount Challenger".

Having been purchased the vessels had to be converted and modernised before they were considered suitable for the Falklands fishery. The total start-up costs of the project, the majority of expenditure being on the purchase and subsequent work on the vessels, was estimated originally at £7 million.

The project as finally agreed involved finance from Stanley Fisheries Limited on a relatively modest scale in relation to the total original project cost. Stanley Fisheries were committed to an equity investment of £204,000 and a loan of £918,000; Seaboard made an investment of £196,000 and a loan of £882,000. The relationship between the respective shareholdings was the normal one of Stanley Fisheries 51% and the Joint Venture partner, Seaboard, 49%.

However, the majority of the finance for the project came from a Midland Bank loan of £4.8 million which was guaranteed by the Export Credit Guarantee Department of the United Kingdom Government. In this way a loan at low interest rates, well below the usual commercial rate, was obtainable. The Export Credit Guarantee Department guaranteed to Midland Bank the repayment of the loan in the event of default by Seamount. For such a guarantee to be available, Stanley Fisheries was required to guarantee 37.5% of the borrowing. It was expected on the basis of advice received that the income earned by the vessels, when converted, would be sufficient to service the loan and make a profit in addition.

In the event, what has happened is that both vessels, in addition to costing more to convert than was at first forecast, have suffered a series of mishaps which have prevented them from fishing and hence from producing income. The "Mount Kent" is currently in Punta Arenas and the "Mount Challenger" has never got beyond Vigo in Spain. The broad result is that over the year project costs have mounted steadily and in the absence of any income, Seamount has steadily run into debt both in terms of operating costs and in terms of the loan repayments.

The "Mount Kent" arrived to fish in Falkland waters, but very soon her winch had been very seriously damaged, it is believed, through the negligence of her crew, most of whom have been subsequently discharged. As far as the "Mount Challenger" is concerned the United Kingdom Department of Transport had at first refused to pass her after her conversion because of alleged stability problems and, although these were cleared up relatively quickly, the project was by then already running out of funds and she has remained in Spain.

With the increase in conversion costs the Midland Bank loan was increased from £4.8 million to £5.5 million giving Stanley Fisheries as guarantors of 37.5% a contingent liability of considerably in excess of £2 million, in addition to the provision of loan and equity of some £1.1 million to which it was already committed and the need as a 51% shareholder to fund its share of operating losses.

Following the mishaps to the vessels, the project costs were estimated at rather over £9 million and at that stage Executive Council began to take a hand.

I should make it clear that the Falkland Islands Government is under no legal liability to assist Seamount to meet its obligations. This falls clearly upon Stanley Fisheries Limited and Seaboard Offshore Limited as joint shareholders. However, once Government was aware of Seamount's difficulties it effectively took the view that it had a clear moral obligation to

take an active interest in Seamount's affairs and, if need be, to provide financial support for the project. While Stanley Fisheries have adequate assets to support Seamount they are tied up in investments which cannot sensibly be realised.

In a business which is failing it is a matter of judgement as to whether you try to keep it in existence or whether you finally say "enough is enough". As Seamount's difficulties have unfolded, Seaboard have increased their own financial commitment, Executive Council agreed to provide financial support some while ago, and most recently they authorised exploratory negotiations with parties who might be interested in assisting in operating Seamount at a profit sufficient to service the loan from the Midland Bank and to provide the working capital necessary to discharge the project's current liabilities. A considerable amount of effort has been expended in such negotiations and proposals from the parties concerned were reported to Executive Council. Whilst those proposals were a constructive and serious effort to be of assistance for which we are most grateful, they would have guaranteed the issue of fishing licences to a number of additional vessels and for this reason and others it was decided not to pursue them.

In the event, however, Executive Council has now decided in effect that enough is enough. The various parties have been informed that the Falkland Islands Government, having explored every avenue, have decided that they have no alternative but themselves to take the ultimate management responsibility for the project and to propose a controlled run-down of Seamount under their direct supervision with the assistance of professional advisers in the shape of the accountants, Peat Marwick McLintock and the solicitors, Holman Fenwick & Willan, both of whom have already given invaluable assistance and advice.

The course of action which Government is proposing has two main aspects:

- first to put an end to a project which has been the subject of mounting public concern, which has over the past months occupied a wholly disproportionate amount of Honourable Members' and officials' time and attention and has become a drain on the financial resources of the Islands;
- secondly to try to ensure that such a project will never happen again by establishing an inquiry to determine how and why it occurred.

In the coming months two quite separate processes will take place. Firstly, there will be a vastly complicated series of negotiations for the sale of Seamount's assets, namely the two trawlers, the "Mount Kent" and the "Mount Challenger" and for the payment of Seamount's debts prior to winding-up the company. It is to this aspect that the main sum of £2 million, as detailed by the Honourable the Financial Secretary will be applied. (I should say, in parenthesis, that Government will in due course propose steps to preserve the future of Penguin News, whose editor's salary is currently paid by Seamount, on an independent and financially viable basis.)

Secondly, in the coming months, there will be the conduct of the

Inquiry. It is to the conduct of this Inquiry and to the fees of the professional advisers that the remainder of the sums provided for in the Bill, some £150,000, will be applied.

It is desired that this Inquiry should be far reaching and takes place as soon as possible. Because Government wishes the report of the Inquiry to be available very soon, at the least expense consonant with it being thorough, it is proposed that the Inquiry be a Non-Statutory private Inquiry, that is to say one which would not be conducted in public as a Statutory Commission of Inquiry, but that the report of the Inquiry should be made available to Executive Council and, of course, also to this House as a whole. Honourable Members will wish, I would expect, to debate the report of the Inquiry at length, and it is intended that they should be able to do so.

The precise terms of reference of the Inquiry and the person who should be appointed to conduct it have not yet been settled. They are left to the discretion of the Governor and will doubtless engage Your Excellency's urgent attention.

I must close with two cautions.

Honourable Members will note that I have refrained from passing any comment on the actions which have led us to this debate today. With hindsight it is quite clear that what proved to be grave errors of judgment occurred both in terms of the original assessment of the project's likely viability and in terms of the financial commitments entered into on behalf of Stanley Fisheries. What is not clear, until the Inquiry has reported its findings, is the extent to which the project's problems could and should have been anticipated and who was responsible for doing this. It does not require an Inquiry to tell us all that the management of Stanley Fisheries needs to be strengthened (as I advised my successor and now my predecessor well over a year ago) nor that its role and remit and its relationship to FIDC and to the Falkland Islands Government needs to be defined.

Secondly, I must caution that the sum of £2.15 million which we are debating is intended only to meet those obligations which will fall due and must be paid in relation to Seamount Limited during this present financial year. It makes no provision in relation to sums which may be payable in future financial years and, while we can clearly hope that it will not be necessary for the Falkland Islands Government to appropriate money out of public funds to meet obligations of Seamount falling due for payment in those financial years, I am by no means able to assure Honourable Members that it will not be necessary to do this.

Finally, it is an ill-wind that blows no-one any good and by taking the action which I propose today and by telling the world why we are taking it we are, Your Excellency, demonstrating a willingness to put our house in order when it needs it, a willingness to be open and honest about our shortcomings, a determination to meet our obligations and a determination not to let anything like this happen again.

The Honourable J E Cheek

Your Excellency, Honourable Members. It is with some reluctance that I support this. I, like the rest of the members here, I wish that we were in a position where we didn't have to even propose this let alone support it.

I am pleased to see that the Chief Executive has pointed out that this £2m most certainly will not be all that is required. One only hopes that it is, but I think to believe that would be to fool oneself. Also, Sir, although it is pointed out that it is an unsecured loan I think the chances of us ever getting that money back from Stanley Fisheries Limited are very very remote indeed. And I think one other thing that has to be said about the possibility of getting that money back from Stanley Fisheries Limited, I think Government's thinking should not be in any way coloured by the possibility of increasing the chances of the repayment of that loan by anything it might do to help or not to help Stanley Fisheries, ie I think any review of Stanley Fisheries must proceed without thoughts of increasing the chances of the loan being repaid.

I don't think it is for us now to voice or even to hint where the blame may lie, but I would like to make one or two points which I think we have already learned. Firstly, the point that I think has been made here on a number of occasions in the past two, three, four years is that Councillors, that is Legislative Council and Executive Council, need to be more fully informed. It is probably partly our own fault that we are not. I believe we need to be, we should have been more assertive in the past and demanding to know, and we will have to do that more and more in the future. And we do not accept some of the excuses that have been given in the past, whether they be that it is commercially confidential or whatever. The £2m we are talking about is costing what was 10% of our normal budget; that is if it is £2m. If some of the inflated figures that are being bandied about are true, and I don't believe they ever will be, we are talking about 20, 30 or even more percent of our normal budget.

The Chief Executive said something about suspicion and mistrust - I'm not sure if he said that Councillors felt that way, I can't remember, but yes, I think there was suspicion and mistrust and I believe rightly so because I know a number of us were aware or had heard rumours at least that a loan was going to be guaranteed by Stanley Fisheries. And it was obvious that if that loan was guaranteed by Stanley Fisheries, had it failed, ultimately, responsibility for repayment would come down to the Falkland Islands Government, as it has. And certainly rather than being advised correctly that such a loan was in the pipeline there was positive action the other way so much as the possibility of such a loan was denied.

The other thing that worries me, and I believe other Councillors and the public, is what other commitments have Stanley Fisheries made which ultimately may be reflected on the taxpayer? I doubt very much if anything on the scale of this commitment has been made, but there are disturbing rumours again which are coming out about various things. I think the more open, the more information that Councillors get on the matter of Stanley Fisheries, the happier we will be. Sir, I support the Motion.

**The Honourable A T Blake**

Your Excellency, I also rise to support the Motion, reluctantly. I am exceedingly angry in fact and have been ever since I found out the situation. I am angry mainly because I have seen us paying so much good money out to people for advice over the past few years only to find ourselves as a result of that advice in the present situation, and I do hope sincerely that the inquiry and the impending survey of FIDC and SFL will produce the corrective procedures that will ensure that we do not find ourselves with a repetition of this situation.

Sir, I think for me to carry on would only probably involve me in saying things that might pre-empt the results of the inquiry. I beg to support the Motion.

**The Honourable T S Betts**

Your Excellency, Honourable Members. I too rise to support the Bill as quite frankly there is no other alternative. I, like the Honourable A T Blake, am extremely angry that this whole dreadful situation has come about. I as a member of this Council applaud the decision made by the Honourable Councillors Keenleyside, Cheek and A T Blake to call a halt to this situation.

I look forward to the inquiry; something that has to come about - this whole disastrous thing has to be explained to the public. It has been suggested the public will not in fact read a document relevant to this situation, but they will receive their information through open debate by Legislative Councillors in this House. That satisfies me. I think the inquiry should not be a "white-wash". It should be done quickly, efficiently, effectively and if necessary to extract who is responsible, if anyone, and how the whole situation came about.

**The Honourable C D Keenleyside**

Your Excellency, I too reluctantly support this Motion. It is in respect of what is one, as the Chief Executive pointed out, of numerous joint ventures and one only hopes that other joint ventures haven't been, and are not being, mismanaged in the same way. And I understand from the Chief Executive earlier today that he is going to be looking very closely at Stanley Fisheries in the near future and I would say that I would whole heartedly support him in this.

It seems amazing to me that, as he pointed out, a loan which eventually came to £5.5m was actually agreed to on these two trawlers. It seems to me that any two trawlers would have had a job to service that loan. It really seems that the homework wasn't done even at that stage. I know there is bound to be criticism from members of the public about why Stanley Fisheries, when so much money had actually gone into Stanley Fisheries, wasn't in a position to come up with the money for this. I think the answer lies in the fact that Stanley Fisheries comprises of a large number of different companies, each one of which has its capital tied up in different ways, perhaps in the purchase of

vessels, perhaps in the building of houses, the purchase of a hotel, or whatever it might be, and therefore there is not necessarily a large liquid capital floating around within Stanley Fisheries which could be used to sort out this mess. It is all tied up with other ventures.

I agree with the Honourable Member for Stanley, Mr Cheek, when he talks about information. When I recently became a member of the FIDC I was very pleased to see that even though I wasn't a member of the Executive Board, ordinary members, who, like the Board, were actually sent the minutes of the Executive meetings which I thought was an excellent thing and I think that we could learn a lesson from this. Sir, I beg to support the Motion.

**The Honourable R M Lee**

Sir, I rise to support the Motion with reluctance like all other Councillors and really my feelings have been expressed by the previous speakers, but there are one or two things that I feel so strongly about that I would like to reiterate. The information side has always, on every aspect, not only of Stanley Fisheries, but of Government, has always been something that has annoyed me and really this whole affair has been, even to me as a Councillor, a series of rumours, occasionally confirmed by the people briefing Council members. But in actual fact as I recall we only had two official briefings. I am not a member of Executive Council at the present time, and as I recall we have had one official briefing prior to today and really the whole thing is a foregone conclusion. We are here today almost as a rubber stamp to agree to paying this money and I do object to that. I don't think that I could have helped the situation but I certainly would have liked to have been more informed.

As we are approving money that is being lent to Stanley Fisheries my view is that we should keep our finger on all Stanley Fisheries business ventures from now on. We are putting a lot of money in to keep them solvent, to keep all the other joint ventures in being, I think we have a right to monthly briefings or whatever so we know exactly what is going on. I think we owe it to the taxpayer: after all it is his money that we are spending. I also feel angry, like Mr Blake. I feel angry because I just look at this huge figure of over £2m and I imagine it invested in agriculture like I always do, because I am afraid that is how my mind works, and I just think to myself what we could do out in the country with that money. I think that makes me more angry than anything.

I am always one to complain about the high cost of professional advice. It seems we have paid an awful lot for advice and the end result has been the same and we have just budgetted for another £100,000 for some more advice. I really hope we get value for money, we need it very desperately at a time like this. Sir, I support the Motion.

**The Honourable L G Blake OBE JP**

Your Excellency, I rise reluctantly in fact to speak to the Bill

as I was a member of the Stanley Fisheries Board at that time and I am therefore partly responsible for the Bill before Council and the bill to the Falkland Islands Government.

However, I rise, Sir, to make just two points. One is that the Board of Stanley Fisheries, to the best of my knowledge, were not lining their own pockets. We've made a mistake, but that mistake was aimed at getting the hands of the Falkland Islands people onto some of the lucrative business of fishing. It is a high risk business fishing. We did it with inadequate advice, I admit, and we have made a mess of it but it was not done to put money into our pockets, but to put money into the pockets of the Falkland Islands people and therefore I feel I have to stand up and be counted with the Stanley Fisheries Board as one of those responsible at that time for agreeing to this. Sir, I support the Bill.

#### **The Attorney General**

Sir, I don't want to say very much except to pick up, because the Chief Executive has newly rejoined us, some of the points which Honourable Councillors have made.

First of all, I'd like to say to the Honourable L G Blake that I personally have the feeling that the ordinary member of the Board of Stanley Fisheries did not have the sort of information which perhaps he ought to have had before he was asked to take that decision. I will not dwell on that except to say that that is one of the things with which I would expect the inquiry to deal. I say that I think in fairness to the Honourable L G Blake and the other worthy members of the Stanley Fisheries Board. I think he may be blaming himself unfairly, in other words.

Secondly, as far as professional advice is concerned. Now, I was not involved in the initial decision by Stanley Fisheries and I think it is perhaps unfortunate that this was one occasion where it appears that Stanley Fisheries were not acting on the advice of professional lawyers and accountants and certainly not the accountants and lawyers we have now engaged, and they, Stanley Fisheries first engaged, and Government are now taking over to advise us in this matter. Now, obviously it is very easy to cry over spilt milk but perhaps, and this again is a matter I won't speculate on in great detail, that the inquiry will find was one of the fatal mistakes which was made along the line. Certainly the inquiry is not intended to white-wash anybody and it may be a somewhat painful experience.

Your Excellency, I suppose that members today have spoken more in sorrow than in anger and I think that since I have been here through the period concerned, I want to express on behalf of officers my sorrow that this situation has arisen, although personally I don't feel in any way responsible for the fact that it has. It is a very serious situation, and it is one on which members will clearly want to dwell further at a later date.

**The Bill then passed through its remaining stages.**

## MOTION FOR ADJOURNMENT

In moving that the House stand adjourned sine die the Honourable the Chief Executive spoke as follows:

### The Honourable the Chief Executive

Your Excellency, in moving this Motion, may I remind the House that this is the last occasion in which Your Excellency will preside here. We shall have other opportunities to express our gratitude and good wishes for the future to yourself and Mrs Jewkes before you leave in October, but I cannot let the occasion pass without saying on behalf of the whole House how appreciative we have been of the wisdom, the kindness, the fair judgement, not to mention the tolerance with which you have presided over our affairs since you came to the Islands in 1985.

The Falkland Islands have learned over the years to adapt to very different personalities and styles of very different Governors and, if I may say so, very different Chief Executive's as well. But, in general, whatever other mistakes the Foreign Office may be thought to have made, they invariably appear to have chosen a Governor who was appropriate to his time. Thus there was Sir Miles Clifford in that first period of development after the Second World War. There was Sir Rex Hunt during the conflict and the period of rehabilitation that followed. And most recently yourself during the creation of the fisheries zone. If I may say so, the Islands have been extremely fortunate in having someone of your particular commercial background and experience in a period when they have been exposed as we have seen today for the first time to the cold winds of the international business world.

We are grateful for all the commitment and concern for our interests that you and Mrs Jewkes, whom we are delighted to see here today, have shown over the past three years and for all the hospitality which so many of us have received at your house. We know that you are looking forward to going to New York and we are delighted for you. We wish you both every happiness there.

### The President

Thank you very much indeed. If I may just beg the indulgence of Honourable Members, may I say that I sought by every procedural subterfuge in the book, and some that were not in the book, to avoid a debate on the Adjournment today, not I hasten to say out of any disrespect for this House, but largely because I fell ~~out~~ *out* of the duo I have sitting to my right here today. The Honourable the Chief Executive whose return we so much welcome, and the Attorney General who since he came here has long kept me correct and on the procedural path.

In a sense, and I know there will be other occasions for speaking, I would have to say that neither I nor my wife requires or expects any thanks for the job that we have done together here. It has been very much a duo as far as we are concerned and I am extremely happy to acknowledge today that I wouldn't have been the Governor I have been, to the extent that I have been any success, without the enormous help, encouragement and counsel of Joyce who today sits in this Chamber as she has done, I think, in virtually every

Legislative Council session since I came here.

We have tried to be professional in our approach to the job, but not coldly professional: professional with a heart I think is the way that I would look at the way in which we have attempted to go about our work. We both have a deep feeling for people and their needs. It might not always have been apparent to everyone out there, in the Camp or in Stanley, that I have been sympathetic to their particular problem. I have always been sympathetic to the problem, it has just been that when you are the Governor you cannot always come down firmly on one side or the other. You have to reconcile the rights, the interests, the wants, the needs of the individual, with the needs and the rights of the wider community, and it is that which makes the Governorship in a sense an extremely challenging job, although on occasions might I say, a very lonely job.

It is not a job for which I volunteered. I remember, and if I may, and as you know I do wax anecdotally from time to time, but just for a moment the clock has stopped. I entered the Colonial Office in 1948, just about eight months after India received her independence and about four or five months after the death of Ghandi. And also, incidentally, during the Governorship, or should it have been the reign, of Sir Miles Clifford. As I filed away telegrams, or saving-grams as we seemed to get more of from the Falkland Islands in those days, I was intrigued by the name "Miles". Miles Clifford, who was he? Well if I ever needed an exemplar I could not have chosen a finer Governor than Sir Miles Clifford, but I could not have expected that forty years after his name was appearing on the telegrams it would be my name that would be appearing here.

It has been our good fortune, and I make no qualification of that, to be here at one of the most exciting times in the history of the Falkland Islands. I have not made those events: I have in a sense responded as best I can to those events. We have had our successes, and I say "we" because I include everyone around this Table and beyond in it; and we have had our set-backs and sadly we have heard about one of those set-backs today and I am deeply sorry that this should have occurred during my time and I am even more sorry that I should be going without having cleared the mess up once and for all, but that is the way of the world so often. But I know, if I might say so parenthetically, that an inquiry will be held, it will be a searching inquiry, it should be a searching inquiry, and if there is anything that I personally can do in either an official or a personal capacity to carry that inquiry along I am only too happy to do so whether I am in Stanley or elsewhere.

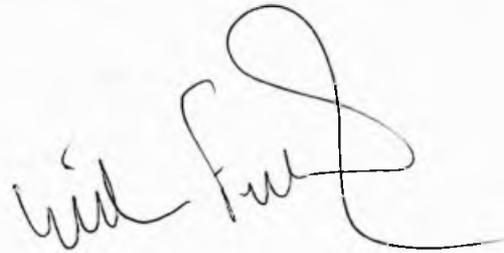
Let me just say one other word since we are in Legislative Council. For better or for worse, warts and all, I am a deep admirer, yes an admirer, of the quirks of the British Parliamentary system. I don't think there is a better system for marrying as it were the Executive to the Legislature; the Administration to the people. We here, are not perfect by any means but I consider that considering the small size of this Legislative Council, and of the very small pool of talent from which Councillors can be elected, either to Legislative Council or to Executive Council, that a remarkably high standard is achieved here and I congratulate you on it. Each and every one of you who are here today, those who have stood for election in the past,

whether or not they have been successful or not, I hope very much that you will go on from strength to strength in confidence knowing that you have two more friends in Joyce and myself to watch, as it were, from afar just what is happening, and to take a great interest in your future well-being. Last but not least, I would wish to thank the various officials, several of whom I have immediately to my right here, and not least I might say the Clerk of Councils himself, for the wonderful support they have given me day in and day out in the duties that have been mine. There will I dare say be an occasion for a ceremonial firing of guns as yet another Governor is seen off and there may be other occasions for speeches, but suffice to say in this Chamber I wish to thank you for your friendship, for your support and to wish each and every one of you, wherever fortune may take you, every success in the days ahead.

The Motion is that this House stands adjourned sine die. The House stands adjourned accordingly.

Faint, illegible text at the top of the page, possibly a header or introductory paragraph.

CONFIRMED THIS 12th DAY OF DECEMBER 1888

A handwritten signature in cursive script, appearing to read "Willard F. Wood".

GOVERNOR



RECORD OF THE MEETING OF  
THE LEGISLATIVE COUNCIL

held

12th December 1988.

RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL

HELD IN STANLEY ON 12TH DECEMBER 1988

PRESIDENT

His Excellency the Governor, Mr W H Fullerton

PRESENT MEMBERS

Ex-Officio

The Honourable the Chief Executive  
(Mr D G P Taylor)

The Honourable the Financial Secretary  
(Mr H T Rowlands CBE)

Elected

The Honourable C D Keenleyside  
(Elected Member for Stanley Constituency)

The Honourable R M Lee  
(Elected Member for Camp Constituency)

The Honourable L G Blake OBE JP  
(Elected Member for Camp Constituency)

The Honourable J E Cheek  
(Elected member for Stanley Constituency)

The Honourable E M Goss MBE  
(Elected Member for Camp Constituency)

The Honourable T S Betts  
(Elected Member for Stanley Constituency)

The Honourable Mrs C W Teggart  
(Elected Member for Stanley Constituency)

PERSONS ENTITLED TO ATTEND

The Commander British Forces  
(Air Vice Marshall D O Crwys-Williams)

The Attorney General  
(Mr D G Lang)

CLERK Mr P T King

PRAYERS Prayers were said by the the Reverend Canon  
J G M W Murphy LVO MA

APOLOGIES were received from the Honourable A T Blake

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CONFIRMATION OF MINUTES

The Records of the Meetings of the Legislative Council held on 7th October 1987, 23rd-28th May 1988 and 6th September 1988 were confirmed without amendment.

PAPERS LAID ON THE TABLE BY THE HONOURABLE THE CHIEF EXECUTIVE

ORDERS

- No 7/88            The Fishing Licences (Applications and Fees) Regulations Order
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- No 14/88           The Fishing Licences (Applications and Fees) (No 2) Regulations Order
- No 15/88           The Finance and Audit Ordinance (Commencement) Order
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- No 17/88           The British Nationality Ordinance (Amendment of Schedule) Order 1988
- No 18/88           The Executive Council (Allowances) Order
- No 19/88           The Legislative Council (Allowances) Order
- No 20/88           The Immigration Ordinance (Remaining Provisions) (Commencement) Order

## ADDRESS BY THE PRESIDENT

### Honourable Members

It is still only just under two months since my wife and I first set foot in the Falkland Islands and I still have much to learn, many places to visit and many people to meet. I am only too aware of the temptation to pontificate about things I may not yet fully understand, yet you would, I believe, be disappointed if I did not share with you my concerns and hopes for the Islands and what I see as our priorities in 1989.

First of all, however, let me say how welcome you have made us feel in Stanley and on the brief opportunity which we have so far had to visit the Camp. Time has been too short really to get to the Camp more so far, but we intend to remedy that over the coming months.

I have quickly appreciated the work both of Councillors and officials in running the day-to-day Government of the Islands, in striving to serve the needs of the people often against substantial difficulties, and in planning and implementing the developments which are needed to improve the quality of life here and to make the best use of the considerable financial resources now available to us.

My first Executive Council left a lasting impression. It continued for two days and had an agenda of nearly forty papers, ranging across the whole spectrum of Island life and touching the lives of nearly everyone in the community, civilian and military. The preparation of those papers represented weeks of work by officials in FIG and FIDC and their consideration demanded intense reading beforehand and much concentration during the meeting on the part of elected Councillors taking difficult and complex decisions involving millions of pounds of expenditure. Many of those decisions, I know, had to be further debated by Honourable Members in Standing Finance Committee over a further full day's meeting. Our visits to departments have impressed us too with the commitment of those who work in them, often in unpromising and not overly comfortable conditions.

In the Camp, I have been impressed, of course, with the warmth of the hospitality. Who could not be? But I have also been much impressed both by the ability of Campers to create an attractive and comfortable environment in which to live in seemingly unpromising circumstances and by the sheer ingenuity and range of skills which they all bring to their activities, be it gathering sheep or shearing them, or building a woolshed or carrying out the numerous repairs needed for survival. And it is pleasing whenever one sees those skills - and the energy which accompanies them - devoted to the running of a large farm as part of a team effort, or to the creation of a new small farm by an independent minded, enterprising, individual farmer.

Inevitably, arriving as I have at the time of decision making on fishing licences, much of my focus to date has been on the fishery. I doubt that anyone could have worked harder or provided a higher quality of advice over fishing licence allocations for the coming season than Alastair Cameron, supported in London by Lewis Clifton, and I am also aware of the careful deliberation which went into the final decisions.

Inevitably, in the end where there are nearly 600 applications and only 200 or so licences available for issue there are more disappointed applicants than satisfied ones. Some of these, I know, are local people who have expressed lack of confidence in the licence allocation process. I understand their disappointment but I must say that I cannot accept the innuendo which has been voiced as a result of that disappointment. I believe that we have to think more carefully about the form of local participation in the fishery than we have perhaps to date and to define more clearly what we as a Government think is best for the Islands in terms of local partnerships with overseas interests.

Meanwhile I was impressed to read in the Economist of 10 December, and I quote, the Falkland Islands probably has the best managed fishery in the world. The abolition of the Joint Venture premium system that, as it were, institutionalised joint Falkland Islands and outside participation has to some extent been replaced by something of a free-for-all. It goes without saying that participation in the fishery by local private enterprise must be a most important permanent element of our fisheries licensing policy, but the stability of the regime must also be carefully protected and local involvement lead to thoroughly commercial ventures of lasting substance, not mere liaisons of convenience.

I have been made aware of the confusing role which has been played in the fishery by Stanley Fisheries Limited and of the criticism to which it has been subject over the past year, particularly in recent months as a result of Seamount. I should make it clear that in my view much of this criticism, which seems to have been particularly targetted at FIDC management, is unfair. With the benefit of hindsight it is clear that Stanley Fisheries was too complicated a company for its management to be shared with FIDC and that those FIDC managers who were expected to divide their time between FIDC and SFL were given an impossible task. I know that this House fully supports Executive Council's decision to place Stanley Fisheries under direct Government control, to rationalise its activities and probably in the end to wind it down. There is a great deal of negotiating to be done in the months ahead to put all of it right but I am sure that in the end we shall all sleep easier in our beds. It would not be proper for me in any way to anticipate the findings of the Seamount inquiry but that too should not only tell us what went wrong but how to avoid similar mistakes in the future.

In that context I can now announce that Mr S C Boyd QC, an eminent barrister with great experience in his field has been appointed to head the Inquiry and will expect to start work early in the New Year.

It would be wrong if I left the subject of fisheries without reference to the anti-whaling petition presented at the end of October. I would not wish the petitioners to be in any doubt that their strength of feeling is shared by Executive Council, nor that Executive Council takes their petition very seriously. At my request the British Government have now made the Japanese Government aware of Falkland Islanders' concern through the Japanese Embassy in London and a copy of the petition has been handed over there. But I would ask the petitioners not to underestimate the practical and legal difficulties of taking the action they describe and to be patient while Government gives the problem the careful attention that it deserves.

I arrived just after Peter Pryn had presented his Final Report to the FIDC Corporation though I have had the benefit of a subsequent Executive Council discussion about his work and that of Bob Storey in the area of social provision. I was particularly struck by the phrases which Pryn has used in his presentation to the Corporation - the paradox of wealth, whereby one of the wealthiest communities in the world on a purely per capita basis in statistical economic terms still suffers in the most obvious possible way from the neglect of the past 150 years: the paradox of resources where it is vital that one dependency - on wool - should not be followed by another, on fish: the paradox of population, whereby there is an over-demand for labour and still relatively little supply. Pryn has analysed both the problems and the prospects of the Falklands with great clarity and has set out a range of strategies for dealing with them. Yet it is still for us to take the decisions as to which of those possible strategies we wish to follow and to implement those decisions.

I believe that the problems of Stanley Fisheries and Seamount and the work of Pryn (and, to a lesser extent, Storey) point to something of a watershed in the conduct of government in the Falklands. It is clear that we need to look again at the way we take our decisions and at the machinery for considering and implementing them. A pattern seems to have been established of decisions inevitably all too briefly considered and taken under pressure by hard pressed officials followed by calls on expensive outside consultants to put matters right. And even when consultants have done their work, there is difficulty in implementing their advice because again the officials are so busy. There are, for example, currently two consultants' reports, one on jetties and one on the East-West ferry, produced in February and May respectively, neither of which has yet been considered. Pryn himself has recommended an urgent review of the Government structure to provide more staff with the time to devote to the planning process and the provision of greater assistance to Councillors in fact finding and policy formation. I know that the Honourable the Chief Executive and the General Manager, FIDC, are looking at both these areas and that the recent Joint ODA/FIG Review of FIDC is also likely to make recommendations for strengthening the decision-making process in general and improving the consultation between FIG and FIDC in particular. This whole area must be tackled as a matter of some urgency if we are to make use of Pryn to the extent that his work deserves.

I have been struck, however, by a number of decisions which have been taken recently to spend very considerable sums of money in areas which will significantly affect the quality of life in the Islands. By far the largest sum is, of course, the £14m to be spent on the new Stanley Senior School. Next is the £2.6m to be spent on providing the Islands with a thoroughly modern network of telecommunications with instant links to the outside world. Then there are the substantial sums, amounting in total to some £2.1m to be spent less spectacularly on Ross Road and on the refurbishment of heating and electrical systems in public buildings, in particular the Town Hall.

Quite clearly, the Senior School is of benefit to the whole community in Stanley and in the Camp, as is the new telecommunications scheme, but I am aware that Government may sometimes seem to be spending much more of the new found fisheries wealth in Stanley than in the Camp. This is to some extent

inevitable and necessary both in practical terms and, in terms of the morale of the whole community. Stanley as the capital must have an infrastructure which keeps pace with the Islands' development needs - it must, to take the most obvious example, achieve an appropriate level of housing provision and it must become a place about which everyone in the Falklands can be proud, instead of perhaps somewhat at times embarrassed.

I do hope we can get on with the Town Plan and the new school. I hope that everyone in the community who has a view on the Plan will air it soon so that we can work out as much as possible what is generally wanted and generally wise. Momentum once lost is hard to regain. But Government must always be on its guard at over-providing for Stanley at the expense of the Camp. Executive Council has, I know, recently agreed in principle that £500,000 a year should be spent on agricultural assistance schemes and Honourable Members have supported this.

A new "Islander" aircraft is to be purchased, and the Estancia track continues to make good progress but the £1m which was expected to be available over the period to 1990 from EDF funds for Camp tracks is no longer forthcoming for that purpose because EDF funds can only support projects which have a demonstrably quantifiable economic benefit. £770,000 has been allocated to the East-West ferry over the next three years but, as I have said, the consultants' report on that has yet to be considered. Doubtless all these factors will be in Honourable Members' minds as they contemplate the 1989/90 Budget session which may yet seem a long way off but will soon be with us.

I know that well deserved tribute has already been paid to the Financial Secretary, the Honourable Harold Rowlands. I should like to add my own and welcome him on his return from London where he has received the CBE from the hands of Her Majesty The Queen. I shall be sorry no longer to receive his valuable advice formally but I trust that he will be available for us all to draw on his experience in the future.

I must confess to being somewhat daunted by the list of legislation before us today. I have already come to appreciate the learned Attorney-General's prolific productivity and his zeal in the difficult task of ensuring that our laws are appropriate to the modern world and as far as possible in line with United Kingdom legislation and yet at the same time appropriate to the needs and customs of the Falkland Islands. Most important of all perhaps is the Electoral Bill 1988 which must necessarily become law so that the General Election in the austral spring of 1989 can be held in accordance with its provisions. Because of the complexity of that legislation and some of the other bills before us I understand that the Honourable the Chief Executive will be calling on the learned Attorney-General to speak in accordance with Section 35(2) of the Constitution in relation to a number of them.

I wish to refer to the question of civil/military relations. First, however, on this topic I am glad to take the opportunity of formally welcoming on our behalf, Air Vice-Marshal David Crwys-Williams, RAF, in his appointment as Commander of the British Forces in the Falkland Islands. I have already learnt to value his support and the thoroughly informed and sympathetic interest he takes in our affairs. I feel sure he is much enjoying being in

the Falklands and I hope he will continue to do so during his tenure. My main concern, on that topic, is not in fact about the state of civil/military relations, which seem as good as ever they were, but at the relative lack of civil-military contact by the majority of servicemen and women stationed at MPA and quite cut off from the normal run of civilian life. I do hope that more and more servicemen will take advantage of FIGAS and the existence of the increasing number of tourist lodges and guest houses in the Camp to see as much as possible of the Islands during their time here.

The Joint Hospital in Stanley continues to be a great blessing, not only for Islanders and servicemen but also for the fishermen and I anticipate a successful outcome to the coming re-negotiation of the operating and financial arrangements.

I would like to touch briefly on the question of foreign affairs. You will have read of a possible meeting between the Argentine Foreign Minister and H M Ambassador at the United Nations, Sir Crispin Tickell. Dr Caputo, in his role of Chairman of the UN General Assembly, asked to see our Permanent Representative. The invitation was accepted but no date has yet been fixed for a meeting. If one takes place it will not be seen as an occasion for negotiation. The policy of Her Majesty's Government is as ever to try and have normal relations with Argentina and the United Kingdom has made a number of attempts in that direction, for example, financial and trade restrictions with Argentina have been lifted and Her Majesty's Government have proposed multilateral co-operation in fisheries conservation around the Falklands. The Argentine response to these ideas has been disappointing. At all events you may rest assured that the British Government remain determined to fulfil their commitment to the Falkland Islanders to uphold the right of self determination.

Honourable Members, I wish you well in your deliberations and I ask your indulgence to myself as a newcomer in presiding over them. Thank you.

#### **The Honourable the Chief Executive**

Your Excellency, in view of the fact that through a failure in our administration of this meeting, which I must take responsibility for, we have not in fact got the copies of your Address to Honourable Members to read as you speak at the meeting and I think they may like to have an opportunity just to have a look at it. We are getting it run-off now in the Secretariat, so perhaps we could adjourn for, say, a quarter of an hour or so, to enable them to have a sight of your Address, it may be helpful to them, and I apologise again to Honourable Members for the failure to get the Address in front of them in time for beginning of the meeting.

#### **The President**

The meeting stands adjourned for a quarter of an hour.

MOTION OF THANKS TO HIS EXCELLENCY ON HIS ADDRESS TO COUNCIL

The Honourable C D Keenleyside

Sir, I would like to open this Motion of Thanks by welcoming yourself and your lady wife to the Falklands. I would also like to welcome the Commander British Forces to our Table: this is his first sortie into this area, and I know from Executive Council he will make some valid contributions.

It is obvious that you have appreciated the true value of Falklands life since you arrived here, in fact the part you commented on was the practicality of Falklands life. I once had a discussion with your predecessor who believed that values in the Falkland Islands were upside down when young people left school and were more interested in taking on what I would call practical jobs than those in the Administration. But I think you can see for yourself that the very nature of the Falklands is such that these are considerations that we have to take into account when we are making our decisions. The quality of Falklands life, of course, has to be seen to be appreciated.

I note that you have seen the type of control that we exercise over our fisheries regime. More and more local input into that is definitely required, as we have seen recently from our licensing, where it was done by our own people for the first time I believe. However we are very much on a learning curve there, and we are wide open to criticism in many areas. Certainly extended control of the fisheries is required which includes the extension of our fisheries zone.

On the subject of the Inquiry into Seamount, I would repeat here that this is not a cover-up, that it was considered to be the best and most effective and appropriate way of approaching the problem, by having the independent Inquiry rather than a major public one.

Coming on to the Prynne Report, I don't agree entirely with Mr Prynne but I see his Report as a useful guideline when taking decisions. I agree that the interface between FIG and FIDC needs looking at and strengthening and, more important, as the funding comes from FIG.

The Town Plan which we now have to discuss should provide us at least with firm guidelines much needed in Stanley. I know in the past we have agonised over decisions as to where things should go and where things should be allowed to happen without having any coherent idea of what the overall plan was. I would very much appreciate any input from members of the public, I have certainly circulated my copy as freely as I can, but if anybody has any particular points they wish to raise, I wish that they would raise them with me now before we actually make any decisions on the matter.

I too, congratulate Harold on this recognition of his valid service by receiving the CBE and I think it is one of the most well deserved awards that we have seen given in the Falklands recently.

This must be one of the few meetings recently, where a Certificate of Urgency has not been required. This I think reflects very well on the abilities of the Attorney General and the Printing

Department.

Sir, I beg to support the Motion.

**The Honourable R M Lee**

Sir, I rise to support the Motion and, like my colleague, to welcome you and the Commander British Forces to the Chambers. We have now had a number of meetings of Executive Council where we've all worked together, crossed swords a time or two, but obviously everyone has the business of the Falklands at heart and we all seem prepared to state our case. That, to me, is a good sign, if you work for someone who agrees with everything you say, I think that is a bad sign.

To comment briefly on some of the things you have mentioned in your speech. Sir, I think the workload of the Administration and Councillors is getting almost to breaking point. All of us are finding that there is so much more work involved in administering the extra cash that is coming our way and I am quite convinced that sooner or later we will have to, talking as a Councillor, to make the proper and right decisions on behalf of Government: we will have to have some sort of assistance, be it semi-paid Councillors, or a research department, I am not sure quite what the answer is, but we certainly are almost stretched beyond our capacity. In fact I feel most of us are just running to keep up and we are not really au fait with the details of everything that is going on and that is a great shame.

I was pleased to hear that you value our way of life in the Falklands and in the Camp. I think this is something we should really work hard to preserve. There are problems with being wealthy. It 's a myth to suggest we are all millionaires but wealth is coming to the Falklands and it's bound to change our way of life. I think now is the time to put a lot of emphasis on maintaining the good parts of our way of life.

On fishing matters I agree with my colleague entirely, but I do believe that we are getting it right, I think it is a much better situation not to have joint ventures. The new Fisheries Development Fund is the right way ahead. On the Seamount affair, I agree also that there should be no cover-ups, that the Inquiry should be made public when it is completed, and certainly should be debated in this House. I think there is a suspicion that there has been a period of quiet since the bad news, but it is nice to know that the Inquiry is going on and that we shall soon receive the results of it.

As for Stanley Fisheries, I think it should be scaled down or possibly wound up completely. But in doing so I don't think we should be obsessed with paying everyone off at a fairly handsome profit. I think that we should be careful. This is a very vast empire almost and it will take time to wind it down and we don't want to hand out pound notes to anyone that will agree to leave us alone, to go away. We've got major problems that we brought on ourselves and we have to spend time and money sorting them out.

As for the Prynne Report, I think it is exciting that the final version is now with us and we are reading it and debating it. I

don't agree entirely with everything Mr Prynne says, especially on agriculture; I think he has missed the point on the development of agriculture. He seems to have generally taken the view that there isn't an awful lot we can do for agriculture, apart from prop it up with one or two subsidies, but I am entirely convinced that if we are prepared to put money towards agriculture there is no possible reason at all why the whole of the Falklands couldn't be turned green: that our output could be increased tenfold quite easily. You have only got to look at the one or two tiny little patches of reseeded ground and see how well they are growing at this moment to see that if we were to put considerable subsidies on fertilizer and grassland improvement the change would be almost unbelievable. We have already invested something in the order of £20 million in fishing and fishing related industries. I argue very strongly that had we put that money into a straight fertilizer subsidy it probably would have brought a far better return.

There is now talk of a Planning Committee to implement Prynne's suggestions and help us actually get things moving. I think this is an excellent idea but something I would insist, that this Committee actually consists of expert advice, yes, from outside, but there is also an awful lot of expert advice on how to get things done within the Colony and we should include in this Committee, if it is formed, a considerable number of locals: they might be retired people, people like Harold who has a wealth of knowledge on how to get things done in the Falkland Islands, and I don't think we should pay expensive experts from outside the Islands to tell us how to do things in a practical way - when it comes to that we are the experts.

The Falklands road system and ferry - I never miss the chance to comment on that - I think the recent problems with Coastal Shipping, where the ship is now running something in the order of a month and a half late and many people on West Falkland will go without their Christmas goodies highlights the fact that we need to do something about a ferry and a road system. It is the only way we'll develop the West Falklands and the smaller islands. I challenge anyone to name a country that has developed without a proper road system and good communications, I just don't believe it is possible.

I must agree that I was glad to hear that you have already recognised the fact, Sir, that we are spending more on Stanley than the Camp. I don't want to create divisions, a lot of people say that there shouldn't be any division between Camp and Stanley and I entirely agree. But I think we shouldn't bury our heads in the sand. At the moment the Camp is lagging way behind Stanley in terms of development and money that is spent on it, and I think we should recognise this fact and put it right, not pretend it is not there.

Just to conclude on the relationship between the servicemen and the local population. I know we spend quite a lot of money on publicity for the Falklands and to my mind the most publicity we are getting at the moment is from returning servicemen. I think we should possibly consider spending some of the money that we spend on publicity on making sure the servicemen see the Islands and actually enjoy them. I don't see that there is any reason at all why each and every serviceman that comes to the Islands shouldn't get to see a penguin colony and a sheep farm, and really

enjoy the place, and when they return they obviously talk to people and if they have enjoyed themselves here and they haven't sat at Mount Pleasant and looked out the window for four months I think that it would be a great benefit to us, so I really believe we should try and give the servicemen a good look at our Islands and our way of life.

To conclude, I agree, no doubt further round the Table there will be more favourable comments towards Harold but, I have said it before, I think that he deserves all the praise he gets and he is going to be a very expensive person to replace.

Sir, I support the Motion.

**The Honourable L G Blake OBE JP**

Your Excellency, Honourable Members, I join the members who have already spoken in welcoming you, Sir, and Mrs Fullerton, and also the Commander British Forces and Mrs Crwys-Williams to these Islands; not just to this Table but to the Islands, because you are part of our Islands and we are pleased to have you with us.

I would like, Sir, to comment on the quality of life. You mentioned the quality of life in these Islands and I believe that it is the duty of this Council, and of future Councils, to see and make number one priority the improvement in the quality of life of the Islands. If that is our aim then we can only go forward and our investment in the infrastructure, in the amenities and the various systems of communication and travel that we make, and are making, can only be justified in this way. There is no way with the size of our community that can we justify such investment, but it is to enhance the quality of life and our aim should, at all times, be to do just that.

I would also, Sir, like to join you in congratulating the Deputy Director of Fisheries and our representative in London on their work and the successful outcome of the licence allocation regime. I believe that a lot of the disappointment with regard to the local allocation is not to be laid at their door, it is due in many respects to the fact that in some cases would-be applicants did not in fact enquire from the the Deputy Director or our representative in London as to the guiding principles which would be used in that allocation. And I'm, in some ways, a little disappointed that Executive Council in fact moved in some areas from these guiding principles in the allocation.

We have, as you say, and as the Economist seems to have pointed out, a very efficient management regime. But that management regime will only continue to be efficient while our fish stocks are maintained and the existence of these stocks can only be guaranteed by the extension of the current exclusion zone, or protection zone I should say, to 200 miles. It is a fact which the Imperial College has shown that the effort that goes on in that 50 mile area, or in fact it is greater than 50 miles if the zone were taken from the mid point in the Islands instead of just Port Stanley, but Imperial College has shown that the uptake of small squid early in the season which occurs outside the FICZ, or before the season begins, and the uptake of mature squid during the season - last season fortunately most of them came in here so

they were slightly better protected - occurs in that area. If we go out beyond the 200 mile limit then the small squid are too small to be commercially worth exploiting and we will then control mature squid which is what the market are looking for. I am pleased that other members in this House, and I would urge the remainder of the members who speak to put all pressure on Her Majesty's Government to reconsider the distance of the protection zone and allow us to not only manage but conserve our fish stocks to a much greater degree.

Having got off my hobbyhorse, Sir, I would like to stand on a pedestal. There has been in the local press a degree of criticism of the members of the Stanley Fisheries Board for not resigning as a result of the Seamount affair. I think to have cut and run at the first sign of trouble would have been far less correct than at least remaining while the trouble lasts. And I would ask people before they get their pens from their pockets to write to local and overseas papers, to write for local and overseas papers, to actually look at the facts of the situation rather than raising hairs: they are causing anguish among officials and anger among others.

Other speakers have also spoken of the new telecommunications agreement, which we will debate later, and I believe that this is one of the major advances in the quality of life. We are providing the chance for residents to have international communications, secure and private communication within the Islands, and I believe this can only improve our way of life and it can also greatly enhance our business prospects.

Sir, I beg to support the Motion.

#### **The Honourable J E Cheek**

Your Excellency, Honourable Members, I too would like to join the other members who have spoken before me in welcoming you to the Islands, together with your wife, Mrs Fullerton. I hope you have an enjoyable stay in the Islands although hopefully somewhat less exciting than some of your immediate predecessors have had. Also I would like to welcome the Commander British Forces and his wife to the Islands and hopefully he will be able to practice his craft while he is here but only that. I think some of us tend to forget after the passage of time that the main purpose of the Commander British Forces and the men and women who serve under him here is to practise but to be ready to actually use their craft if it is really necessary. Of course we all hope that that doesn't actually happen.

Sir, you mentioned the meeting of Executive Council earlier on, and if I could comment on Executive Council and the recent practice which has allowed under the Constitution the appointment of members to that. I think the practice of appointing a replacement to those elected Executive Councillors who cannot attend is worthwhile, but I think for the sake of the Constitution that, as in the past, such members must be elected, and their election advised to you so you can make the necessary appointment. I am not being critical of what happened this morning. I understand there was an appointment in an advisory capacity which is also allowed under the Constitution. But may I suggest from

the point that the Constitution was trying to make, ie that we were moving towards self determination, that unless it is absolutely essential that Legislative Council members be not appointed in their advisory capacities unless that need is absolute. I think most of us, in fact I am sure all of us realise that there are occasions where it is worthwhile but I believe there are those detractors of the Falklands and a belief that we do have a large say in our future that they would take such appointments and turn them against us.

If I could move on to fisheries, I find myself rather diffident in mentioning the subject, but looking back to, remembering, listening to Council speeches in the past when the subject of farming came up, the ones that were most interesting, probably had the biggest input, were those farmers who spoke about their own subject and who had the knowledge. I am not saying I am knowledgeable by any means, certainly not greatly knowledgeable, but maybe I have learned something in the last year or eighteen months.

One of the greatest disappointments to me in Prynne was the subject of local participation in the fisheries. As far as Prynne is concerned it is a non-event. It is not mentioned at all. There is not one word on the subject. My belief is that Government's income from the fisheries has probably reached a maximum from licences, transshipping, whatever, I believe it will go up and down a little bit as the fishery fluctuates. But I believe there is probably as much money again available to the Islands when, through the fullness of time, local companies become involved, not making money through, as you put it, licences of convenience, but I must admit that those licences can give the leverage as has been done in other countries so that local companies can become involved and involved at a reasonably fast rate in the fisheries. I was also slightly put out to hear licences for Falklands companies called "licences of convenience", although another 62 licences which the British get which I am sure could come under precisely the same term. Which leads me to my last comment on fisheries, we are now coming towards the end of moving away from being controlled by absentee farmers, a process which Shackleton suggested we should overcome some, whatever it is, ten or more years ago. I would hate us to move and provide the wherewithal to move into a position where we will be controlled in the future by absentee owned fishing companies.

I wasn't going to mention Seamount, I think it is better to leave it until we actually read the Report. Just one slight comment on it, we hear in the British press, we see in the House of Commons questions about how much Seamount will cost the British taxpayer. The answer is not totally clear, even in the House of Commons, that it will cost the British taxpayer nothing. In fact the British economy will gain every penny that we will lose because everything that we have to pay, the Falkland Islands taxpayer, will ultimately end up in someone's pocket in UK. So there is no loss but a gain to the British people.

I already mentioned Prynne and largely I think it has given us a tremendous amount of food for thought. I hope by now that people out there listening realise that it is not Holy Writ, it is a list of ideas which we, hopefully interpreting what people want, accept or reject in the same way in fact as the ideas presented in the Town Plan will either be accepted or rejected. But if I could say

one thing about Prynne, he says that for the first time in 150 years we are financially independent, my understanding is that we were financially independent for about 80 years until, maybe, the late sixties. I would just like to correct that for those who may have thought having read Prynne that we were in the debt of the British taxpayer for those 80 odd years. In fact I believe it was probably the other way around in taxes from those absentee owned companies I mentioned earlier and in gifts particularly in times of crisis in Britain, certainly in 1914/18 and 1939/45, those gifts of money and men.

I hope from the comments we have heard earlier that there isn't going to be a wrangle between Stanley and Camp about who receives the most. I am sure each side can come up with examples where in some ways one side gains more than the other. I think it is fairly even at the moment. Camp, because it is so spread out over such a large land area I think will probably end up getting more money. I know in education it costs something like 7 times as much to educate a Camp school child as it does a Stanley one and I am not sure that it would be altogether in our best interests if we became particularly equal or totally equal. Looking around here I think we would end up with three Camp members and five or six Stanley members, if we were talking on a population basis.

I think I have said almost enough, just if I could add my congratulations to Harold, we've said all the nice things about him for what he has done, but I think congratulations are certainly in order for the extremely well earned CBE that he received. I think it is a great pity there wasn't a "K" in front of it.

And finally congratulations to the Legal Department and to the Printing Office. For the first time since the war, the public have been able to read every Bill that we are looking at now. So not only have they been able to read them but if they wanted to they could have come along to each and every one of the Councillors here today and told us what they think is wrong. I think I have had two people actually speak about Bills, but I suspect once again even though they have been able to read them we will be told after we have actually passed the Bills, or not passed them, what was wrong with them.

Sir, I support the Motion.

**The Honourable E M Goss MBE**

Your Excellency, Honourable Members, I rise to support the Motion of Thanks to your Address to Council earlier this morning and I welcome you and Mrs Fullerton to the Islands and at the same time join you in welcoming the Air Vice Marshal to these Chambers. I also, like other Councillors, congratulate Harold on his recent visit to London to receive the well deserved award, and I know he is going to be leaving our Table before the end of the year to follow pleasures of his own choice and I wish him well in the future.

It was pleasing to note your early awareness and appreciation of the values outside of Stanley and its fishing business.

As a farmer I welcome the half million a year to the agricultural assistance which I hope will be available to all farms large and small without discriminating restrictions.

I echo, and this is mainly to save words and time, Councillor Lee's and other Councillors' comments regarding Prynne and agriculture.

Going to a more sensitive subject now, the allocation of fishing licences, both locally and overseas, where we had 600 applications with 200 licences available. We will never please all, but I do hope we can get it shared out better in the future so more people are satisfied and in the eyes of the other people watching us with our fishing business that we are being responsible and fair. I endorse Councillor Keenleyside, and other members, in his wish to extend our fishing zone to give us more control over the fishery management and this will, by an extension of the boundaries, prevent other people who are not paying licences, or other nations, from hoovering up the young stock before they migrate into our waters.

I look forward to the day when you turn the first sod, or lay the foundation stone to our new senior school and I hope we can soon sort out the site to the satisfaction of everybody.

Sir, I beg to support the Motion.

#### **The Honourable T S Betts**

Your Excellency, Honourable Members. I too rise to support the Motion of Thanks to your Address and will probably attempt to do nothing more than a skatebaord job on the points that you touched on. I welcome of course yourself and your lady wife and also the Commander British Forces and his wife.

You mentioned farming and that it is an important aspect to the Islands and as a Stanley Councillor I would like to agree with that wholeheartedly, and I believe that farming should receive the support that is deemed necessary to make life for people in the Camp better and the industry itself more buoyant. However I'm afraid we are probably suffering as a result of those foregone years where the big fat cat sat back in the UK and licked all the cream. But anyway I expect we will put it all right eventually.

Fishing, its probably a bit of an embarrassing subject for me to talk about, but I am pleased that Government has shown its support to local resident Islander companies, and I hope it continues to do so. providing the local company has a good business plan and offers something to the residents of these Islands.

Stanley Fisheries Limited: I am quite sure that once SFL has been restructured it will provide a more useful role to the community, if in fact we don't wind it up.

Peter Prynne I think has done some sterling work and has put together some excellent reports. And now I think its time for us to sit down and look at them and extract the bits that we want out of them, that we consider benefit the community and the Islands.

Seamount I must mention only to let you and Honourable Members know that I met Mr Keith Michel in London for two and a half hours and gave evidence to him as being a former member of the Stanley Fisheries Board.

Education got a very slight mention, which disappointed me because I believe education is probably the most important aspect that Councillors and Administrators alike should be tackling in the future, and we must continue to work to improving the standard of education of our young people so that eventually they will become senior administrators in the Secretariat.

Also important is housing, we must continue the housing development plans, we must continue building houses, because without houses we cannot possibly entertain new immigrants who have the skills that we require and need.

We also must continue to work on building our roads in Stanley and Camp. I think it is up to, basically, the Camp Councillors to guide us on where they want their roads in Camp.

I was pleased to hear the the most noble speaker of the House, the Honourable Tim Blake, who never ceases to amaze me when he speaks, and his remark on the 200 mile fishing zone and the needs and desires for it. I think it is time really that the foreign office stopped pussyfooting around and got on and made a decision. It was made abundantly clear in the fishing seminar in March this year, a very good reason why we ought to extend it from 150 to 200 miles. Our adviser from Imperial College stated that an escapement level of 35% is the desire. Within the 150 mile Conservation and Management Zone the escapement level reaches that but in what is termed the 50 mile doughnut area, the escapement level in fact is only 8%. So I believe that is a good enough conservation argument for extending the Zone from 150 miles to 200.

I was also pleased to hear that Britain and Argentina, or more particularly Britain, would continue to make moves with Argentina in trying to normalise relations. I think they should and must but not and never at the price of sovereignty.

Your Excellency, I wish to support the Motion.

**The Honourable Mrs C W Teggart**

Your Excellency, Honourable Members, I would like first of all to add my welcome to that of other Honourable Members to yourself, Sir, to this Table and to your wife to the Falklands; and also to Air Vice Marshal Crwys-Williams and his wife and family. I hope that you will all enjoy your time here and that when the time eventually comes for you to depart we will have more friends in other places.

With the start of the new fishing season I also hope that we can apply more pressure on the Foreign Office to give us our 200 mile fishing zone which I believe is very badly needed if we want to make any pretence at all of conserving our fish stock, which is after all what it is all about. I have only just begun to appreciate the difficult task in allocating the fishing licences

this year. I am sure it went on for many many hours and it was done with a great deal of heart rending and anxiety that there just weren't enough to go round to everybody. But I do hope that the companies that were disappointed this year won't be too disheartened and will apply again in the future, when perhaps they will be a bit more fortunate.

I feel very strongly for the people in the Camp. For many years they have been the backbone of our economy here and indeed where would Stanley have been without them. I feel now that as times are looking better, perhaps the ordinary man in the street isn't seeing the benefit yet, but with the improvement of our infrastructure, the amount of money that we now have to spend on things, we cannot forget the Camp entirely because indeed where would we have been for many years without them.

I welcome very much the agricultural assistance scheme. In welcoming that I also feel very strongly that for many many years we have had good wool prices and bad wool prices and I feel that the small farmers have ploughed back the money that they have made, their profits, back into the land and into their farms, I am not so sure about the absentee landowners, therefore although I very much welcome this scheme it is with a few reservations, but I am sure we will probably argue about that at greater length later in the day.

I also welcome the Prynne Report. I think it is a very worthwhile document, I think that Peter Prynne and his helpers have done an excellent job. I am, like other Honourable Members, not in entire agreement with all his proposals, but I feel it does give us a good guideline for the future and I feel that when it is debated by Executive Council that it is going to be very interesting to see just which aspects they care to pick up on that Report.

I am particularly concerned with the amount of money that we are going to be spending on a new senior school. I feel that although, and as a mother of five children, I am particularly concerned with the Education Department in the Falklands, I feel that for £14 million we have to be very very careful with getting it absolutely right. I am particularly concerned about the proposed site of the school and I hope that when we are building something which we anticipate will last us for between forty and sixty years that we are not going to be too narrow minded about where we are putting it, that we are going to be careful that with our expanding population, which no doubt we are going to have by that time, that we are going to have room and we don't put it somewhere where we cannot add on to it through lack of space or not have the playing facilities that are very definitely needed.

I would also like to add my congratulations to Harold on his CBE, very well deserved. I must admit that when these Honours lists come out I am not always too sure about how justified they all are but I must admit that I heartily applaud his honour and it is very well deserved.

I would also like to give my congratulations to the Attorney General and the Printing Office for this rather lethal amount of paper, I am a bit concerned as to how many days it is going to take us to get through them, if we argue all the points on all the Bills. But congratulations to them for the large amount of work they have put in over the past months. And also I must say for

getting all the Gazettes out so that the public have had the chance to read these.

Sir, I beg to support the Motion.

#### **The Honourable the Financial Secretary**

Your Excellency, Honourable Members. First I would like to welcome yourself and Mrs Fullerton to these shores and I also join in the welcome to the Commander British Forces.

I wish to thank you, Sir, for your kind words in your Address, and also to all other Members who have echoed them around this Table. When I was asked by the BBC what I got the medal for I had a job to think and I found myself thinking that it was my staff that really have paid for my medal, plus many Heads of Department in the Falkland Islands Government.

It has been a pleasure to serve you, Sir, for this last couple of months. You are the tenth Governor that I have had the opportunity to serve since I joined the Civil Service.

I cannot take issue with any of the points raised around the Table this morning because I feel that I have been bribed with words of congratulations. However, there is one thing that I would just like to mention, and it disheartens me each time that I hear it: the division between the Camp and Stanley. I feel that this is one community, the community here in Stanley provides services for those people in the Camp, we have our pilots living here, we have the men who tend the Monsunen, the people who administer the law, and I believe it's one community and I don't think that we should ever try and separate the two communities.

I beg to support the Motion.

#### **The Honourable the Chief Executive**

Your Excellency, Honourable Members

May I begin by adding to the welcome which I gave to Your Excellency and Mrs Fullerton at your swearing in and may I say how much I already appreciate the support and help which you have given me since your arrival in the Islands. May I also thank you for your Address with its wide-ranging coverage of so many things that concern this whole community, but especially those who sit in this House.

I should like also to welcome the Honourable and Gallant Commander to his first Legislative Council. I can reveal to those Honourable Members who are not in Executive Council, that he has already contributed substantially to our deliberations there where he has shown a wide-ranging knowledge of and interest in practically every subject that we debate, and he has coined a phrase in relation to the Prynne Report, "we must establish our line of march", which seems nicely to combine a military metaphor with a peaceful intention. I should like to take this opportunity to wish him and Suzie a happy and successful, and very peaceful,

stay in the Islands.

I congratulated the Honourable the Financial Secretary on his CBE when I last spoke in the House, now I must congratulate him on having survived the celebrations in London which I hear followed his visit to the Palace to receive it and having caught the plane in time to safely return to the Islands to perhaps a rather more sober and quiet life!

Your Excellency, in my farewell speech to this House on 1 April 1987, or what in fact turned out to be an "au revoir" speech, I raised a number of questions and apprehensions which I felt about the future of life in the Falklands with the fishing zone. I said then:

"It is us who are ultimately in control, not the fishing companies. But it will take time for all this to evolve. It will require much thought, much discussion, for example, to balance the need to attract and retain foreign investment against the need to control it. It will need to be understood, for example, that some things are matters of commercial confidence which cannot generally be known. It will not happen overnight and in the meantime there will be much rumour and misunderstanding."

Your Excellency, I am not normally known as a prophet but everything that I said there has come to pass. And indeed I anticipated there some of the things which the Honourable Member for Stanley, Mr Cheek, has drawn attention to today. So much of what I said then is encapsulated, of course, in the affair "Seamount" which will not be laid to rest until the Inquiry has reported and been debated in this House and until the final account is known and made public, as the Falkland Islands Government fully intends that it should be. Much of it has also been encapsulated in the activities of SFL and the "confusing role", as Your Excellency described it, of SFL under my predecessor.

Seamount will in the end, I hope, prove to be an aberration, a once-and-for-all blunder, not to be repeated on that scale in any shape or form in these Islands. It is right, of course, that people should be concerned and angry about it, it is right that they should demand to know why it happened and who was responsible and it is right that they should be told, as FIG fully intends that they should. But what concerns me is the extent to which all these strong feelings have not just been confined to Seamount but applied by extension to all the activities of SFL and FIDC and sadly to their Board members and their immensely hard-working and competent managers. I applaud the Honourable Member for Camp, Mr Tim Blake, for his remarks about his membership of the SFL Board and I entirely support him in the honest and brave stand that he has taken. But of course beyond letters in the Penguin News there is the general distrust and disquiet on the part of reasonable men, Honourable Members of this House in particular.

Much will, I hope, happen Your Excellency in the coming weeks and months to allay that distrust and disquiet. Your Excellency has referred to the restructuring and the probable wind-down of SFL. SFL was conceived in haste amidst all the pressures of setting up the FICZ and it was based on a desire to ensure both that foreign investment in the fisheries came to the Islands and that it was

then controlled by the Islands, but in the end it proved simply too complex to run efficiently and control effectively. As Your Excellency has said, we shall all rest easier when the negotiations to restructure it are completed. And the negotiations will, of course, have to take account both of the interests of the Islands and of the interests of the Joint Venture investors, and will be subject to rigorous scrutiny by Executive Council.

Your Excellency has mentioned that FIDC was the subject of a joint FIG/ODA Review shortly before your arrival. That Review, which also incidentally encompassed FIDC's subsidiaries at the time, including SFL, looked at all aspects of FIDC's management, its use of funds and its standing in the community. I expect to be discussing it in London later this month, the Review will come out in the New Year and it will hopefully both identify any really justifiable criticisms and propose measures for putting them right. That, together with the findings of the Seamount Inquiry, should form the basis of appropriate improvements in all our development agencies.

A number of decisions will need to be taken in the New Year, some more urgent than others, but all relating to the construction, purchase, and management of ships. The future of the "Southern Star" has yet to be agreed, the decision has to be taken on whether we purchase or charter fisheries patrol vessels to replace those excellent warhorses the "Right" and the "Desire", and attention must again be given to the question of the East/ West ferry and the related subject of jetties on both of which, as Your Excellency has said, there are consultants' reports alas gathering dust. If we can get these decisions right and justify them, that will, I believe, contribute much to restoring the confidence which has been lost through Seamount.

But just as SFL has suffered from a management team which, however hardworking, was insufficient for its complex and diverse operations, so Your Excellency I entirely agree with you that FIG's management now needs strengthening to deal with the added complexity of the decisions which it is required to take, decisions about ships of the sort to which I have just referred which are not only enormously expensive if we get them wrong, but are also closely related to other decisions, such as the East/ West ferry and Camp tracks, and cannot be taken in isolation.

I imagine, Your Excellency, that when I said on the radio the other day that what I would like to see happening immediately from Prynne was a strengthening of our planning process and the writing of a Development Plan, there were groans and moans from just those people who have been so vociferous in the past in writing to the newspaper about the decisions made by Government and FIDC and SFL. Well, so be it. I believe that I am rather better placed than they to judge the extent to which the existing machinery, consisting of a few senior officials, hardly any more in total than when I first came to the Islands, writing Executive Council papers and FIDC Corporation papers at the weekends because they don't have the time to do them in the week needs to be strengthened. It does not require many people, probably not more than two or three with expertise in planning and economics who have some time to think.

I was also asked on the radio recently about the role of

Honourable Members in the planning process. In considering the augmentation of officials we must also, I believe, look again at the role of Honourable Members and how we can involve them perhaps at an earlier stage in our thinking than we do at present so that they play some constructive part in the evolution of, say, an Executive Council paper, rather than simply being confronted with it as a fait accompli produced by an official. I think the Honourable Member for Camp, Mr Lee, is absolutely right here in what he says. It will not be easy to do this, given the demands on Honourable Members' time, but I think we should look very carefully at it, perhaps in the context of a rather wider exercise about the role of Honourable Members in the Government of the Islands.

Finally, Your Excellency, to the role of experts. I see that the Penguin News has started a new column called "Konsultants Korner", designed to portray experts and consultants in a humorous and disparaging light. I have no objection to this, although I wish that it were rather funnier than it is, and indeed FIG will be subsidising its production, but I hope that people here will understand that, as we develop, we shall in fact need more experts, more visiting consultants and professional men, not less. I fear that that is the result of complexity and the result of prosperity.

We have recently had two visits, from Mr Phelps and Mr Hamshaw respectively, to advise us on housing and Civil Service conditions and everything I have seen of their work suggests that their contribution will be most valuable. In neither case could the work of those men have been done by anyone in the Civil Service here: they would not have had the time and they would not have had the expert knowledge. The important thing surely is to choose experts carefully and to make full use of their work and this can only be in the context of a proper planning process.

Your Excellency, we have a busy day ahead. Having said my piece, I will say no more.

#### **The Commander British Forces**

Your Excellency, Honourable Members. May I first thank you and Honourable Members for your kind words of welcome to me and Mrs Crwys-Williams. I too would wish to join in the words of welcome to you Sir, and to Mrs Fullerton. With the benefit of my few months extra time in these lovely Islands, having arrived in August, it is perhaps interesting to note that both our arrivals here were on very stormy and very turbulent days, but I am confident that this is not an indication of how the ship of state will fly in your hands during your time here.

Now the robust conditions of our arrival have only been exceeded in my experience, Your Excellency, by the warmth of the welcome that my family and I have also received from Falkland Islanders, and others in this community, wherever we have met them. I join you in paying tribute to all these people who have made the past few months so very interesting and most enjoyable. And I also wholeheartedly endorse your sentiment that we must encourage as many as possible of my fellow servicemen to travel throughout the Islands and share all that they have to offer to us.

May I say, Sir, what a privilege it is for a military man such as myself to take part in the governance of the Falkland Islands and I look forward today to the new experience for both of us of partaking in a session of this Honourable House. It is not a responsibility that I take lightly and I will continue to do all within my power to ensure not only that the security of these Islands which we hold dear is maintained but also that our respective communities are brought together more than geography sometimes allows us, and also to continue to live and to work together as harmoniously as we have in the past.

Your Excellency, I support the Motion.

QUESTIONS FOR ORAL ANSWER

**QUESTION NUMBER 13/88 BY THE HONOURABLE MRS C W TEGGART**

What steps are being taken to alleviate the R/T interference on the Broadcasting Station which is causing considerable inconvenience to both staff and listeners?

**Reply by the Honourable the Chief Executive**

Your Excellency, I had understood from the Superintendent of Posts and Telecommunications, Mr Stephenson, that Mr Zuvic-Bulic who was asked by Mr Stephenson to assist his department in this matter that the interference had now been cured by the fitting of suitable filters to the consoles in the studio. I was going to congratulate the Honourable Member for Stanley, Mrs Teggart, for having wrought another of her miraculous interventions in the broadcasting field. But I thought that I detected, to my horror I may say, some background interference when I listened to the radio on the weekend.

If in fact that background interference has not been cured then my understanding is that Mr Zuvic-Bulic will have to continue to investigate the problem on a trial and error basis.

**The Honourable Mrs C W Teggart**

I would like to thank you for your reply. I do understand that a lot of the problems have in fact miraculously been cured in the last couple of weeks though I understand we are still getting some breakthrough on the receiver. I know that this seems a little bit petty to anyone who isn't involved in actually working in the Broadcasting Station, but I must admit that having worked there myself on and off for a number of years it is very very distressing to try and monitor, as one has to at times, the BBC World Service. You have to listen in your headphones for that and to find that the R/T is actually booming through three times as loud and you're actually sitting there trying to read announcements. I think that the staff at the Station have actually shown remarkable control at times. I know I have sometimes felt like walking out and I must say that, in general, the R/T operators have been very co-operative in keeping off the air when live broadcasts have been undertaken, but I must admit that there has been one exception to this recently when we actually had to rebroadcast News Magazine three times, which was quite annoying. But I thank you, Sir, for your reply and I congratulate Mr Zuvic-Bulic on his efforts.

**QUESTION NUMBER 14/88 BY THE HONOURABLE MRS C W TEGGART**

With the installation of a new water supply in Stanley can the Chief Executive indicate whether the Fire Service are confident that they have a sufficient number of water hydrants to provide a quick and efficient service should the need arise.

**Reply by the Honourable the Chief Executive**

Your Excellency, once the new water supply system is completed in

March 1989, including the addition of fire hydrants not included in the original plan, the Fire Service advise me that they are confident that they can generally provide a quick and efficient service, should the need arise.

**The Honourable Mrs C W Teggart**

I would like to thank you, Sir, for your reply. I had understood that there was in fact a minor problem at the moment but I trust that when the water mains are completed this will be alleviated.

**The Honourable the Chief Executive**

That is noted thank you.

**QUESTION NUMBER 15/88 BY THE HONOURABLE MRS C W TEGGART**

Can the Financial Secretary advise Council when the electricity tariff will be reassessed as mentioned in the Budget Session of Legislative Council.

**Reply by the Honourable the Financial Secretary**

Your Excellency, a reassessment of the electricity tariff is presently in progress. The tariff will be reviewed by Executive Council early in the new year.

**The Honourable Mrs C W Teggart**

I would like to thank the Honourable the Financial Secretary for his reply.

**The Honourable J E Cheek**

Your Excellency, I have a supplementary question but before I actually ask it perhaps the listening public will wonder why there are so few questions for Oral Reply this time; in fact I think we only have those from Mrs Teggart. We all know with what apprehension the Chief Executive views our questions and the male members of Council took pity on him on this occasion!

My supplementary question: I notice that although I was advised some five years ago that all electricity meters would be sealed, in fact they are only being sealed in the last month or two. Could we be told what effect, if any, the sealing of meters is having and whether that will have any effect on any possible reduction in the tariff.

**The Honourable the Financial Secretary**

At present I cannot give you an indication of whether any revenue has been lost through not having meters sealed. During the course of the reassessment of the electricity tariff this point will be taken into account and I will supply the Honourable Member with a written reply.

ORDERS OF THE DAY BILLS

THE SUPPLEMENTARY APPROPRIATION (1986-1987) ORDINANCE 1988

**The Honourable the Financial Secretary**

Your Excellency, this Bill seeks to allow and confirm expenditure of £6,413,658 incurred in excess of the amount paid in the 1986 Appropriation Ordinance relating to the financial year 1986-1987.

The very large items of excess expenditure for 1986-1987 were attributable to the setting up, administering and policing of the Fisheries Interim Conservation and Management Zone, which cost £2.4m, an additional transfer of £3m to the Development Fund and £979,000 development expenditure of which the majority was incurred on purchasing farms for subdivision. All excess expenditure was approved by the Standing Finance Committee. I beg to move that the Bill be read a first time.

**The Bill was then read a first time and passed through its remaining stages without debate or amendment**

THE SUPPLEMENTARY APPROPRIATION (1987-1988) ORDINANCE 1988

**The Honourable the Financial Secretary**

Your Excellency, this Bill is another of the formal Bills to legalise excess expenditure. This time it is for the financial year 1987-1988 and is for excess expenditure of £6,336,119 of which £4.5m was an additional transfer to the Development Fund and £969,000 on development expenditure. Some of the more notable additional items of development expenditure which were incurred in 1987-1988 were: the purchase of FIPASS for £2.6m and the purchase of a new FIGO office in London for £963,000. Again, all items of expenditure contained in this Bill have been approved by the Standing Finance Committee of this Council. I beg to move that the Bill be read a first time.

**The Bill was then read a first time and passed through its remaining stages without debate or amendment**

THE SUPPLEMENTARY APPROPRIATION (1988-1989)(NO 2) ORDINANCE 1988

**The Honourable the Financial Secretary**

Your Excellency, this Bill is principally to establish the Fisheries Development Fund. Honourable Members will recall that at the last Budget Meeting of Council it was proposed that the joint venture fee should be discontinued and that the fee should be combined with the licence fee, and that an examination should be made into the best method of financing the development of the fishing industry in the fishing waters of the Falkland Islands.

It has since been agreed by Councillors that the best method of financing the development of the fishing industry would be by allocating a portion of the higher fishing licence fees received

to a new fund to be known as the Fisheries Development Fund.

This Bill also provides for the transfer of £3m to this new Fisheries Development Fund.

Clause 4 of the Bill proposes, in accordance with Section 69 of the Constitution, to make it lawful for the Financial Secretary to withdraw from the Consolidated Fund monies to meet the supplementary expenditure approved by the Standing Finance Committee for services in the 1988-1989 financial year but not covered by the Supplementary Appropriation 1988-1989 Ordinance 1988.

The Standing Finance Committee have approved supplementary expenditure at the following meetings:

On the 6th July 1988	- £570,720;
On the 3rd August 1988	- £554,340;
On the 14th September 1988	- £590,810;
On the 19th October 1988	- £156,065;
On the 17th and 18th November 1988	- £1,287,370;

**A total of £3.159m.**

The most significant items I will mention to remind Honourable Members. Items which are over £100,000 - the first item on 6th July 1988 was Farm Loans for £200,000; the purchase of farms for on-sale £252,000.

On the 3rd August 1988 a further farm loans provision of £140,000; electricity supply improvements £130,000.

On the 14th September 1988, Refunds of Court Fines £205,250; Housing and Other Loans £170,000.

On the 17th and 18th November 1988, Construction of Dornier Hangar at Stanley Airport £203,000; Accountancy and Legal Fees in connection with the strategic appraisal and withdrawal of Stanley Fisheries Limited £200,000; from the Capital Budget: Refurbishment of the New London Office Property £150,000; the Rehabilitation of Ross Roads and Moody Brook Road £400,000; New and Replacement Heating Systems £97,000; and Restoration of Stanley Airport £139,000.

Honourable members will now wonder how these sums affect the Budget for the year. The position is that we had forecast a surplus of £7,115,710. With the revision of Revenue and Expenditure it is now forecast that there will be a deficit of £563,595.

The position relating to the Reserves: on the 1st July 1988 our Consolidated Fund stood at £19,167,378. We now forecast that the Consolidated Fund will stand at £18,603,783 at the 30th June 1989.

I beg to move that the Bill be read a first time.

**The Honourable the Chief Executive**

Your Excellency, if I may use the opportunity to second the Bill

because I wish to add some explanations, with your agreement, to the speech made by my colleague the Honourable the Financial Secretary.

It is, I know, reasonably well known that the Government contemplates that at least initially assistance from this Fisheries Fund will be going to two companies in which Stanley Fisheries has a majority interest, and the remaining shares are owned by British fishing companies. I want to just explain to the House, if I may, why this is necessary and why it is proper that these funds should be used in this particular way, by way of a supplement to the general background on the Fisheries Development Fund which the Honourable the Financial Secretary has already given.

The decision taken earlier this year to abandon the joint venture premium system was as far as companies involved in joint ventures with Stanley Fisheries are concerned taken suddenly and without prior consultation with them. In promoting the joint venture system Stanley Fisheries Ltd had told its prospective partners that joint venture companies would have the benefit of the joint venture premium, a capital injection paid by fishing vessels licensed to fish in our waters equal to the amount of the licence fee charged. And those joint venture premia provided the working capital for the joint venture companies so that, in effect, there was a gift of 49% of the premium to the joint venture partner in that company, with the other 51% belonging to Stanley Fisheries.

Now in the expectation and the confidence that this considerable cash flow into the joint venture would continue, the joint venture companies entered into ongoing commitments, those commitments of course continue; they do not come to an end simply because the joint venture premia have ceased to be paid and they must be met. Of course if those joint venture companies who have incurred these commitments were making sufficient money to meet them they would have no wish to come to the Fisheries Development Fund to assist them, but unfortunately neither of those companies is at a stage where it is as yet sufficiently profitable to do so, and indeed it is unlikely that either of them will be in profit for some time to come.

I should say that we are not talking about something resembling a further "Seamount", but we are simply talking about companies which are taking some time as they gain experience in these waters to achieve sufficient profitability. It is a typical commercial situation in which at the start of a venture it does not make profits but it expects to make profits in the future. Both those joint ventures are well managed. They are running quite successfully but they have got certain commitments: they have got repayments and wages and they cannot meet these out of the income they are at present receiving from their catches.

Now of course if we had not abolished the joint ventures system - and I think this is the important point to make and I should emphasise this - there would be no question of them requiring assistance from Falkland Islands Government Funds. It seems to me that it is only right and proper that they should be assisted by the Falkland Islands Government because with the abolition of the joint venture system the FIG income has very much increased, and because they borrowed money for the purchase of the vessels they are using in the expectation that the joint venture premia would

continue. I don't think I wish to add anything more, Your Excellency, simply really by way of explanation of that particular aspect of the Fisheries Development Fund.

**The Bill was then read a first time. On the second reading Honourable Members spoke as follows:**

**The Honourable R M Lee**

Just one thing I'm not sure of, perhaps I misheard the Chief Executive, but I'm not sure that he emphasised the fact that the money so far taken from the fisheries funds are commercial loans and not grants. I think there are a number of people who feel we are actually handing out grants from this fund, but it is my understanding that it is on a commercial basis and is in fact a loan. I just thought that this might be the time to reiterate that point.

**The Honourable the Chief Executive**

Your Excellency, I would like to confirm that that is the case. It is in fact loans that are envisaged and not grants. Thank you very much for correcting me.

**The Honourable L G Blake OBE JP**

Your Excellency, Honourable Members, I rise to welcome the provisions of this Ordinance in that I think it is important that we make provision for experimental fishing, for assistance to fishing development, and also that we are seen to be making such provision. We could perhaps have gone about it just through the ordinary means of our budget and it would not have been seen. I think it is important worldwide that we are seen to be investing in our fishery as well as receiving income from it and so I do welcome this Bill.

The one fact that I do sort of grieve over slightly is that the drawdown of the full amount is required as one lump sum; I would have preferred to see perhaps the drawdown from the Consolidated Fund on an "as required basis" up to the maximum limit in that then we could have hung onto the money for a little bit longer in some instances, but otherwise I do welcome the Bill.

**The Honourable J E Cheek**

Your Excellency, before I actually speak, my understanding is that the Financial Secretary is going to make an amendment to the Bill. I ask him to speak first because I will be proposing an amendment to his amendment, but until he has actually made it there is little point in me doing so at the moment.

**The Attorney General**

May it please Your Excellency and Honourable Members. The Financial Secretary will be moving at the Committee Stage an amendment to the Schedule to the Bill in Part B, an increase of £200,000 on the amount of £1,857,290 which at present appears in the Bill and that is to provide for agricultural grants. Honourable Members will have heard His Excellency this morning talking about agricultural grants of £500,000 for a full year and

for the remainder of this financial year Honourable Members are going to be asked to provide £200,000. I mention that to assist my friend the Financial Secretary who will be moving that amendment, I believe, in the Committee Stage of the Bill.

**The Honourable J E Cheek**

Thank you. I can now discuss the matter that I wanted to. In rising to speak to the Bill, Sir, there are two points I would like to mention.

Firstly, in the Committee Stage I will be proposing an amendment on the additional money that has just been mentioned which will be for the agricultural grants and loans. I will be proposing an amendment which will restrict such grants and loans to companies that are majority owned by people normally resident in the Falklands.

Moving on to the Fisheries Development Fund, I'm not sure if this is the next fisheries request for a FIG handout that was mentioned recently in one of the letters to the Penguin News, but I generally support it and as long as we have the assurance that the money from that fund will be in the form of loans at a commercial rate I totally support it. If that were not so I feel that I would have to propose an amendment similar to the one I have just mentioned because to me it would be totally unfair to provide grants to the fisheries industry which weren't restricted in the same way as those that I propose to the agricultural industry. Otherwise I support the Bill.

**The Bill was then read a second time. At the Committee Stage the following discussion took place on the motion that Clauses 1-5 stand part of the Bill:**

**The Honourable J E Cheek**

I would ask the Chief Executive to assure us as I think he has already done - a second assurance - that in fact monies from the Fisheries Development Fund will be in the form of loans at commercial rates. If that is so then I have nothing further to say.

**The Honourable the Chief Executive**

Yes, Your Excellency, you do have the assurance that the loans will be at commercial rates. They are loans and not grants, I think this is also very important, Your Excellency, to emphasise.

**The Attorney General**

I think it would be right to add that that's only in respect of any decisions that Executive Council has taken on applications from British fishing companies. It doesn't preclude, and one wouldn't want to preclude, by that a grant being made out of the fund to a local fishing company at a future date. Certainly the Bill will enable a grant to be made to a local fishing company.

**The Chief Executive**

I am also unclear, Your Excellency, whether in fact we're also additionally addressing the question of agricultural grants, or

whether the Honourable Member for Stanley, Mr Cheek, considers that he's addressed it sufficiently.

**The Honourable J E Cheek**

Because of the advice I have got from the Attorney General we might be slightly mixed up in so much as my proposal, which I mentioned earlier, was that there would be a new Clause 6. At the moment we're debating Clauses 1 to 5 to which I have no objection.

**The Honourable the Chief Executive**

Well that's my mistake and I thank the Honourable Member for Stanley, Mr Cheek, for his clarification.

**Clauses 1-5 were then adopted**

**The Honourable J E Cheek**

Before we move on to the Schedule can I suggest an amendment of one additional Clause, Clause 6. As I mentioned before I feel quite strongly, and I know a number of others do as well, that this Fund should not be available to those farms or farming companies that are not majority owned by normally resident Islanders.

My feeling is that to do so will stop the move away from absentee owned farms. Shackleton, when he made his report, said that one of the worst things that we had suffered from - I don't think he used the word "Colonialism" - but I would add that one of the worst aspects of Colonialism was the system of absentee-owned farms, and largely the flow of money from the Islands to England. If such a fund as this had been introduced 10 years ago we would have had no - I use the word "subdivision" - but there would have not been a flow of those farms from absentee-owners to local owners.

I'm not saying we have to continue with subdivision, that is not my point, I have nothing against large farms and I can see there is a need, a crucial need, for large farms for those people who do not want to own their own subdivision, and also as a training ground for new subdivision owners; I think that is also something that has been lost sight of if anyone ever recognised it. These are my main objections to the grants being available to absentee owned people and for the record may I then present my amendment as follows:

That there be a new Clause 6, which in the explanation is a restriction of expenditure on agricultural grants, and in full - and I hope the Clerk has a copy so he doesn't have to take it down - in full it reads:

6. No monies may be expended on Agricultural Grants or loans (for which provision is made in Head of Service 951 in Part 2 of the Schedule to this Ordinance) except in favour of persons who are ordinarily resident in the Islands or companies the majority of the shares of which carrying voting rights are beneficially owned by persons ordinarily resident in the Falkland Islands.

Sir, I propose that amendment.

The Honourable C D Keenleyside seconded the amendment.

**The Honourable the Financial Secretary**

Your Excellency, there is one point that I would like to make. This is discriminatory against the companies from overseas. As the Honourable Member, Mr Cheek, has mentioned I would point out to Honourable Members that the question of the grants system to farmers is for the improvement of the farms. We are wishing to improve the wool production of the Falkland Islands and I think that this is discriminatory against a large section of land in the Falkland Islands. I therefore would ask Honourable Members to consider very carefully the implications of the amendment which the Honourable Member, Mr Cheek, has put forward.

**The Honourable E M Goss MBE**

Your Excellency, I would like to object to Councillor Cheek's proposed amendment and I support the Financial Secretary in what he has outlined on the amendment being discriminatory and I object to the alteration.

**The Honourable L G Blake OBE JP**

Your Excellency, Honourable Members, I too rise to oppose the amendment. I have, Sir, for the last 29 years served such a company as would have been discriminated against in this Bill and I would question the premise on which the Honourable Member for Stanley, Mr Cheek, actually bases the need for this discrimination. He feels that it would have hindered the transference of land from the overseas landowner to the local farmer. The pressures for the realisation of assets in agriculture would in no way reflect the returns that they could get from a grant, even at its maximum state, over a period of 5 years. The pressure to sell locally-owned land is that the investment is so large here that the return to the owner in the profitable years is so small that the shareholders, unless they have other sources of income, need to realise that capital.

And further, Sir, I would point out just one fact and that is that of the thirty odd large farms - I haven't got a figure, but we'll say thirty large farms - which are in existence today, the only company which has been able to afford any form of grassland improvement through the period of poor returns has been one of these overseas companies because its assets allowed it to continue to function without agricultural profits, and I think that by discriminating against them we are going to reduce the development of our agriculture. We are not going to influence in any way the sale of property, but we will reduce the level of improvement in our agriculture and we will threaten in a major fashion the employment of those who do not wish to own farms but who wish to continue to reside in Camp and continue to work in Camp. Sir, I oppose the amendment.

**The Honourable R M Lee**

Your Excellency, I reluctantly oppose the amendment also. I say reluctantly because I think everything possible should be done to make all land in the Falklands owned by people who live here.

But one thing I agree with the Honourable Mr Blake in his comments is that I think that if we don't offer these grants to overseas owned company farms development will fall behind so the eventual intention to have local ownership of this land its best to have it in prime condition when it changes hands.

The other safeguard we have is that these grants are not automatic and each application will be considered on its merits so if there is any indication that the grants are being misused or siphoned off into profits, I am quite sure they will be withdrawn or certainly there will be no more in future. So I rise to oppose the amendment.

**The Honourable T S Betts**

Your Excellency, Honourable Members, I rise in fact to support the motion. I couldn't support approving funds and letting funds be spent in actual fact, or given to people who already have the capital to put into improving their land pasture or in fact improving their stock and their industry. I could quite happily support giving grants to people who don't have the capital.

**The Honourable Mrs C W Teggart**

Your Excellency, Honourable Members, I rise to support the amendment proposed by Councillor Cheek. I do appreciate very much the points that the Honourable Members for Camp have made, but I also feel that there have been many good years in the sheep farming industry when many of the absentee landlords could have put much more money back into their farms to improve the land, their working conditions and the conditions of the people who work for them. I feel perhaps that their failure to do so to the extent that they were capable of in this instance certainly moves me to support the amendment as stated.

I feel that the money that we have available, by my reckoning I think we have 60 or 70 smaller farms now, and the sort of money that we have available I would like to see going to help those people who, with their families, are making a very practical and very dedicated commitment to these Islands. Sir, I support the amendment.

**The Honourable C D Keenleyside**

Sir, I rise to support Councillor Cheek. I'm afraid I cannot agree with Mr Blake and Mr Lee particularly over the aspect of the subdivision and the large farm. The reason I say this is that I've never been one to advocate that all farms should be subdivided. I think that there's certainly room for locally owned large farms which retain the, if you like, traditional way of life, the traditional farm aspect. Councillor Lee himself is on one such farm and I have no doubt of the need for such a farm on East Falkland. I see no reason why in the future that the Falkland Islands Government itself could not take on some form of commitment which retained one or even more of the larger farms to keep this in being. Sir, I support the amendment.

**The Honourable J E Cheek**

Your Excellency, if I may be permitted to wind up, as it were, to

my amendment and just to thank those who have supported me.

Also to say that I'm slightly puzzled by the fact that on one hand these grants would make little difference to whether or not a large farm owner would sell, yet at the same time it seems by not granting we are going to do people out of jobs on these farms. But I certainly think there is more than one way forward and the suggestion by the Honourable Member from Stanley, Mr Keenleyside, that when - hopefully when, rather than if - the remaining absentee owners sell their land we want to keep, certainly on the East, some big farms then if other people are unable to do it I think it is a good idea that FIG might buy some of those farms before possibly selling off shares in those companies or something along those lines. Thank you Sir.

#### **The Honourable the Chief Executive**

Your Excellency, there does seem to me that there is some degree of contradiction in the minds of the proposers of the amendment. They seem to me to be unclear really as to whether they want to retain large farms or not. At one stage they are talking about the necessity not to assist those farms in order to create more subdivisions and at another stage they are saying they wish those large farms to be kept in continuation.

My point is that the policy of the Government is that there should be both sorts of farms in the Falklands; that there should be small farms for the independent minded farmer; that there should be large farms for those people who wish to lead that sort of life and for those companies which wish to conduct that form of farming, and it seems to me quite illogical to have a scheme of this sort which suddenly decides that it will discriminate against, effectively, a considerable number of the larger farms.

We're not talking about having insufficient money to assist both forms of farm so there isn't any question of shortages, as I see it, of scarce resources. We're talking, as I see it, of the need to maintain the fabric of agriculture generally in the Islands, and to maintain all forms of farming in productive and increasingly productive activity to enable some people to farm in one way and some people to farm in another way. I must say I do find this form of discrimination both illogical in terms of the general views expressed round this Table of how agriculture should be regarded, and I also find it, if I may say so, in practice somewhat distasteful since it seems to me to be based to a considerable extent on past history rather than on any truly rational grounds. I beg to oppose the amendment.

#### **The Honourable C D Keenleyside**

I would like to make a point that the Chief Executive seems to have missed and that is that the large farms certainly that I was talking about would be locally owned large farms, and not owned by absentee landlords.

#### **The Honourable J E Cheek**

I would like to not necessarily correct but certainly clarify, I hope, my thinking. I'm not against large farms; I don't mind what farming system there is, hopefully whatever the system is it's the best for the Islands. What I'm against is absentee owned farms.

Now I'm not saying we abolish them but all I'm saying is that I do not believe that the Falkland Islands taxpayer should be involved in continuing them. To me they are a - "distasteful" was the word used - a distasteful remnant of Colonialism: I want no part in it.  
**The Honourable L G Blake OBE JP**

We are talking around the subject rather easily, Sir. The fact of the matter is that should the Honourable Member's amendment have the effect that he wants, which would put those absentee owned farms on the market, the number of large farms left in the Islands could be counted on the fingers of one hand. It would reduce the employment prospects if he had his way to possibly 20 employed persons, or 30, and under these circumstances it does in fact sort of put at risk a number of people.

Now the suggestion that the Government should retain them and run them I find so horrifying and so possibly expensive that it gives me a fit of the screaming ab dabs. And when I say that the shares in our company, if they had been sold locally, would have given a 0.2 of one percent return on average had those shares been transferred to local ownership, I wonder where they will find the local owners to actually participate in such a local availability.

**The Honourable R M Lee**

Sir, I'm sorry to keep things going but there seems to be an assumption by my Honourable friend that large farms are doomed no matter who owns them and I would strongly disapprove of that suggestion. I think that if a company farm is locally owned and the company is based locally you've got a totally different attitude of mind and in my two years experience of this I'm totally confident that we can out perform any small farm - I'm not wishing to start an argument - but what I'm trying to say is that it's not fair to assume that a company farm, a large farm, cannot be financially viable. That's just not true and I do think, as Mr Cheek has suggested, if they were locally owned companies they would be more dynamic and more profit making.

**The Honourable the Financial Secretary**

Your Excellency, there is one point that I would like to make and that is the fact of what effect is such discriminatory legislation going to make on future investment in the Falkland Islands. The fact is that I believe worldwide that it has generally encouraged investment into the Falkland Islands. If we pass legislation like this will it effect overseas companies investing in the future of these Islands?

**The Honourable E M Goss MBE**

Your Excellency, if I may stand up once more just to continue the dogfight a little longer. I've been involved in farming in the Falklands for thirty years and I've worked largely for the types of farms, large farms with their absentee landlords that you are talking about, and I know the magnitude of development and cash that they have ploughed back into the lands and I'm well aware of the high standard of living they have given their employees. And I, as I say, manage one of these very large farms and I know the vast majority working on my farm wish to continue doing so, and I don't think what we're talking about, the additional clause as proposed by Councillor Cheek, is in fair governance of these

Islands.

**The President**

I think I might add a small comment of my own. I don't want to get into the nitty gritty of all that, I just hope that whatever decision we take we don't send a message to the outside world that we don't want foreign investment in the Falkland Islands. Foreign investment can of course be an extremely valuable thing as a matter of principle, so I hope we don't send any messages of that kind. That is the only comment that I would make.

It seems Honourable Members that we have four Honourable Members in favour of the proposal and three against it, so I would declare that the amendment for the new Clause 6 as described to be adopted.

**The Schedule to the Bill was then considered and adopted with the following amendment:**

Part 2, Part B, Capital Budget, 951, Expenditure to be met from local funds - "£1,857,290" be deleted and that "£2,057,290" be inserted;

and that the TOTAL SUPPLEMENTARY EXPENDITURE provision of "£3,159,305" be deleted and the figures "£3,359,305" be inserted.

**Clause 4 of the Bill was then amended** by the deletion of the words "three million one hundred and fifty nine thousand three hundred and five pounds" and the substitution therefore of the words "three million three hundred and fifty nine thousand three hundred and five pounds".

**The Bill was then read a third time and passed.**

THE INCOME TAX (AMENDMENT) ORDINANCE 1988

The Honourable the Financial Secretary

Your Excellency, the Income Tax (Amendment) Bill 1988 proposes various changes to the Income Tax Ordinance which will affect taxpayers' assessments on income arising in the calendar year 1988.

The Bill consists of four Clauses and a Schedule. The first three Clauses are self-explanatory; Clause four amends a numbering error which occurred during the previous tax amendment.

The Schedule proposes various amendments. The most important in these changes are, firstly, housing loans: the ceiling of the amount of borrowed capital on which interest may be claimed is to be raised from £15,000 to £50,000.

The definition of maintenance payments is to be expanded to include maintenance payments made under United Kingdom Court Orders.

Section 6(2) which relates to the now defunct whaling and sealing industries is repealed.

The wording of Section 8(f) is modernised; this section relates to the tax exemptions for HM Forces in the Falkland Islands and persons serving under HM Government in the UK.

Section 8(1) being redundant is replaced with a new section which gives tax exemption to any body or organisation which the Governor, in consultation with Executive Council, considers should be given exemption because of connections with the defence of the Falkland Islands. This amendment will save time and simplify procedures from an administrative point of view.

Section 8(k) of the Income Tax Ordinance is repealed - that was relating to the Government Savings Bank - and replaced with a provision exempting the Falkland Islands Development Corporation and any company wholly owned thereby from tax. A minor amendment to the proviso to Section 8 is also proposed.

Section 9(a) relating to whaling companies is repealed.

Paragraph 5 amends Section 10(3)(aa) to allow the Commissioner to allow tax relief on interest paid on loans relating to unoccupied houses if it was appropriate to do so. That is, houses built but with no services completed through no fault of the owner: a current example.

Paragraphs 6 and 11 amend various allowances which I will be referring to later.

Paragraph 12 alters the tax rates and bands as I proposed in the Budget and I will refer to this matter later.

Paragraph 13 amends the tax credit attached to dividends and denies a tax credit to dividends paid from tax exempt income.

To remind Honourable Members of the proposal which I made in the last budget I'll just read out the various changes to the

allowances and rates:

The personal allowance is to be increased from £2500 to £2750.  
The allowance for a wife is to be increased from £1500 to £1750.  
The 10% earned income relief remains unchanged.  
The wife's earned income relief: the maximum allowance is increased from £2500 to £2750.  
The allowance for relative in charge of children is increased from £800 to £920.  
The dependent relative allowance is increased from £800 to £920.  
The old age relief income ceiling is to be increased from £5000 to £6000.

The present scale of tax:

On the first £10,000 of chargeable income 25% is charged;  
On the next £5000 30% is charged;  
On the next £10,000 40% is charged; and  
On the remainder 50% is charged.

It is proposed to replace it:

On the first £10,000 of chargeable income 25%;  
On the next £10,000 of chargeable income 30%; and  
On the remainder 40%.

I beg to move that the Bill be read a first time.

The Bill was then read a first time. On the motion that it be read a second time Honourable Members spoke as follows:

**The Honourable J E Cheek**

Your Excellency, Honourable Members. I just rise really to welcome the Bill and make one point. Last year, or it could well have been earlier this year, but certainly at an earlier meeting, we received a promise from the Honourable the Financial Secretary that he would look into the possibility of extending the 10% which currently is deducted from earned income to the unearned income of old age pensioners, I am sure he will want to reply on this; my understanding is that it is not very easy to do. Just purely as a suggestion now, whether he wishes to act on it at this meeting or not, may I suggest if that isn't possible to do under the Schedule, item 11, where he's increasing the old age relief from £5000 to £6000 that he in fact increases that considerably more to bring it more in line, I believe, with what would in effect be the case at the moment in the United Kingdom. I know we are not comparing exactly like for like, but my feeling looking at the figures and without too much research is that he could go quite a way to being more generous and almost as generous as it is in the UK. Otherwise I support the motion, Sir.

**The Honourable the Financial Secretary**

Your Excellency, I will need to refer to the UK legislation. I am uncertain at the moment what that is but in a few minutes I can probably find my papers and see whether we can go that far. I have some references to UK tax here if I can just have a moment.

**The Honourable L G Blake OBE JP**

Your Excellency, I would rise on our continued discrimination between earned and unearned income which I think in Britain has

now been abolished, and if we want people to invest in their future and our future then to discriminate against earned and unearned income as we do here I think is possibly counter-productive. I had understood that when the Financial Secretary talked about amendments to the Ordinance at an earlier date that he was also looking at this situation and perhaps he would like to reply on it.

**The Honourable the Financial Secretary**

I have now found the reference to UK legislation: it is a little more complicated than we have it and I think it will need further research to do this. If Honourable Members will recall we recently had a survey of the tax structure of these Islands by the firm Pannell Kerr Forster. This study was to be in two parts, the first part was what they referred to as a "first aid" measure which has been completed. The second part was to await the report of the economist, Mr Peter Prynn, to see how we should structure our tax.

The point made by the Honourable Member for the Camp, Mr Blake, has been noted as it was and this forms part of the second study which I would propose should be undertaken at an early date now we have Mr Prynn's Report. I would also like the proposal made by the Honourable Member for Stanley, Mr Cheek, to be referred to the second study as well.

**The Honourable J E Cheek**

I have already spoken but I wonder if there's any chance that the Financial Secretary can advise us whether if, for example, the 10% is extended to unearned money whether in fact that could be back-dated to take effect from the first of the coming year, ie monies earned this year but paid next year.

**The Honourable the Financial Secretary**

My understanding on tax legislation is that nobody likes it to be back-dated unless it's in the favour of the taxpayer and I think I would need to consult the Attorney General on whether such a measure could be undertaken in accordance with our Constitution.

**The Attorney General**

It would be possible Your Excellency and Honourable Members to back-date a benefit to the taxpayer. The proposals which attract comment, from what Honourable Members have said, because I had a horrible feeling that you were going to ask me to draw up the legislation this afternoon, let me say that I may be able to pluck rabbits out of hats but this rabbit is too difficult to pull out of this particular hat that quickly.

There are to be a number of amendments, radical re-looks, at the Income Tax Ordinance as my friend the Honourable the Financial Secretary has said. Another matter which I would mention which might well have been raised by an Honourable Member is the bias against married womens' income, which is in the Income Tax legislation and which, in principle, the Falkland Islands is committed to abolish because it is a party to the Convention on the Elimination of all Forms of Discrimination Against Women, and there are a number of amendments which will require making. The amendments in this Bill are very small and easy to make amendments

without upsetting the whole structure of the Ordinance, but the sort of amendments which the Honourable Members are proposing will need a great deal of thought and are best undertaken in the context of the examination of the whole structure of the Income Tax legislation which, as the Honourable the Financial Secretary has said, Government are committed to and I'm hoping that it is a matter to which his successor and I will take forward with a view perhaps at this session, or the equivalent session of Legislative Council next year, to come forward with major amendments to, or the entire replacement of, the Income Tax Ordinance.

**The President**

Is it acceptable then...the suggestion would seem to be to continue with this Bill as we have it and come back to the subject by the next Legislative Council meeting? Is that your view Attorney General?

**The Attorney General**

Sir, I did say by the equivalent Legislative Council next year! I wasn't promising at the Budget Session of Legislative Council for a couple of reasons if I may say so. First of all the Honourable the Financial Secretary's successor will have many things with which to become acquainted; particularly he will be involved in the Budget process and I doubt whether either of us will have been able to give sufficient time to consider any report which may have been prepared by experts, nor would it have been possible to take Executive Council decisions, but perhaps, and without being too rash, to be able to put forward legislation in time for the financial year starting on the 1st January 1990, which is practically as early as it could take effect if it's not done today, Sir, would be a promise or at least a best endeavours undertaking which the House might accept.

**The President**

And there are a number of desirable things in this Bill I think. Would Honourable Members agree to go ahead on that basis, as described by the Attorney General and the Financial Secretary.....I gather they would....in which case the Bill will be read a second time.

**The Bill was then read a second time and passed through its remaining stages without debate or amendment.**

**THE EXECUTIVE COUNCIL ALLOWANCES (AMENDMENT) ORDINANCE 1988**

**The Honourable the Chief Executive**

Your Excellency, Honourable Members. The Executive Council Allowances (Amendment) Bill 1988 is a Bill the effect of which will be to enable an allowance to be paid to elected Members of Legislative Council who become temporary Members of Executive Council. As Honourable Members will be aware because of absences overseas in particular of elected Members of Executive Council it has been appropriate for them to elect another person from their midst to be temporarily a Member of the Executive Council in place of the absent Member. It appears right that such a temporary

Member should receive an allowance to recompense him in part for the time expended in relation to attendance at Executive Council, and if this is to be done the existing Executive Council Allowances Ordinance needs to be amended. The present Bill therefore seeks to make appropriate amendments to the Ordinance and to provide for one twelfth of the annual allowance to be paid to a temporary Member in respect of each meeting of the Executive Council which he attends. I beg to move the first reading of the Bill.

The Bill was then read a first time and passed through its remaining stages without debate. A small typographical error was put right during the Committee Stage by changing the full stop after 3A in Section 2 to a colon.

### THE LICENSING (AMENDMENT) ORDINANCE 1988

#### The Honourable the Chief Executive

Your Excellency, Honourable Members, the Licensing (Amendment) Bill 1988 seeks to make certain amendments to the Licensing Ordinance which appear to be urgently necessary. I should explain that the Executive Council agreed earlier this year that the Licensing Ordinance should be fully reviewed and perhaps wholly replaced, although it has not been possible to do that work at this stage. That is partly because there will have to be detailed consultations with interested parties and policy consideration before a replacement Bill can be prepared. In the meantime there are certain obvious defects in the present law which Government feels should not be allowed to remain.

The Bill consists of two Clauses and a Schedule and it is the Schedule which contains the amendments to the existing Ordinance. I will leave it to the learned Attorney General to explain the provisions of the Bill in detail and will content myself with highlighting some of the points with which it deals.

The first point is that the Bill would set licensing hours for a Restaurant Licence from 10am to 1130pm. This is to restore the position to that which it was when Restaurant Licences were originally introduced. Unfortunately the special hours for Restaurant Licences were repealed mistakenly when the section introducing Restaurant Licences was amended. The licensing hours proposed by the Bill for Restaurant Licences are, as I say, 10am to 1130pm on any day.

The Bill would also set the licensing hours for Wholesale Licences from 8am to 8pm.

The Bill does not seek to alter the licensing hours in respect of Public Houses under publicans' licences and so the tradition of the "Glory Hour" on Sundays will for the time being remain.

Now the Bill also proposes important modifications to the existing law relating to Prohibition Orders, known popularly as the "Black List". Sections 26, 27, 28 and 29 of the existing Ordinance which deal with the Black List would be entirely replaced. The proposed new Section 26 would make it clear that a Court may only make a Prohibition Order on the basis of evidence given on Oath and would

modernise the grounds on which a Prohibition Order could be made by the Court. A Prohibition Order could only be made, if the Bill is enacted, if the Court was satisfied that the person concerned was by reason of his excessive consumption of intoxicating liquor severely prejudicing his health or failing to make adequate provision for his wife or any dependant child, or neglecting his person, or unable to provide himself sufficiently with the necessities of life, or violent or abusive towards his spouse or any child or remoter descendant of his living with him in the same household. This provision seems more appropriate than the existing wording.

Under the new Section 26 it would not be unlawful for a person who is to be in premises in respect of which a Residential or restaurant licence is held even if the premises are licenced under a publicans' retail licence. It would of course still be unlawful for such a person to obtain or be supplied with any intoxicating liquor on such premises.

If the Bill is enacted, therefore, it will be perfectly lawful for a person on the Black List to go out with friends and have a meal at a restaurant or hotel.

Under the new Sections 28 and 29, which deal with offences, it will be an offence to sell or supply upon licenced premises any intoxicating liquor to any person who at the time of such sale or supply is drunk. That is to say, whether or not that person was on the Black List. It would also be an offence to permit any violent, quarrelsome or riotous conduct to take place in licensed premises. Similarly it would be an offence to procure or attempt to procure any intoxicating liquor for a drunken person or a person in respect of whom a prohibition order is in force.

Honourable Members, I have dealt with the principal provisions of the Bill. I have no doubt that the Attorney General at the Committee Stage could give any further explanations you may require. I beg to move that the Bill be read a first time.

**The Bill was then read a first time. On the motion that it be read a second time Honourable Members spoke as follows:**

**The Honourable C D Keenleyside**

Your Excellency, in rising to support this amendment to the Licensing Ordinance I think the problems that people who are effectively on the Black List have weren't really brought out to Legislative Council Members and having talked to several of these people I've discovered that what it really effectively meant was almost house arrest because virtually anywhere you went somebody was selling liquor of some form or another and you couldn't go there. I'm pleased to see that the Licensing (Amendment) Bill will do much to change that.

I would just like to offer one small query to the Attorney General and that is if he could clarify what the situation is when we have something like a darts match in the Town Hall.

**The President**

Would you like to take that point now, Attorney General, or at the Committee Stage.

**The Attorney General**

If I speak to it now, Sir, and any other Member raises any other query at this stage I can't speak again at this reading, so I will just wait to see if there is any other query at this reading and then answer them together.

**The Honourable L G Blake OBE JP**

Your Excellency, I support the intentions of this Bill wholeheartedly. I do feel rather for the publican in that the actual definition of who is drunk and who is not drunk, I mean one doesn't have a breathalyser in a public house so you can't actually use that, to me it seems a rather nebulous description to put on an offence for the supplying of alcohol to a drunk person. I hope that it doesn't in fact result in particular difficulties in that area.

**The Honourable J E Cheek**

Your Excellency, I rise to generally support the Bill. I must admit I first read this Bill in the Gazette; quite often when you read these things you don't know the context of the amendments and I assumed wrongly that it covered public houses as well so I was going to make some comment about the loss of "Glory Hour": I see as someone said we are not actually losing it. I hope that the full review that was mentioned is carried out as soon as possible because I think the publican also needs an update on the whole thing.

A couple of points have been raised by the public. One of them is in the case of prohibited persons and I wonder in these days of instant photographs if there is any chance of when a prohibition order or whatever it is called is sent out to each licenced premises whether a polaroid photograph of the person concerned can be attached. Most of us in our own local pubs, restaurants, whatever, know who the person referred to is, generally, but I doubt if that is so at Mount Pleasant if any of these people are invited in or not invited in as the case may be and are accidentally served, because the onus is still on the person who serves them.

Just one last comment on whether a person is drunk or not, I suspect if he can actually walk to the bar and order his drink he's considered still to be sober! Otherwise I support the Bill.

**The Commander British Forces**

Your Excellency, Honourable Members. If I could just mention, I think it would be appropriate at this time, my willingness and that of the people in the British Forces to ensure that if any Black List as it is locally called is indeed issued then it is certainly our intention to fulfil the limitations. And certainly if I can just follow up the point that the Honourable Mr Cheek made about identifying anybody on this List. Clearly, although we do put up the List in any bar which we authorise in Mount Pleasant, we do have with our turnover of our own population a problem with identification of these people, and certainly if any

consideration was given to introducing photographs we would look at implementing the wishes indeed of the Council.

### **The Attorney General**

Your Excellency, Honourable Members. I rise to deal with the points Honourable Members have made in the course of this reading of this Bill.

The first point was the one raised by the Honourable Member for Stanley, Mr Keenleyside, with relation to darts matches, and particularly darts matches at the Town Hall. When a darts match is held in the Town Hall if the main room at the Town Hall is licenced it's as if it were licenced under a publican's licence. It would be very difficult to draft legislation therefore which would enable a separate situation to apply in relation to darts matches in the the Town Hall than would apply in relation to a darts match in a public house. But there is of course a way in which intoxicating liquor could be supplied at darts matches at the Town Hall without being in breach of the provision; it is a very simple one. That is the normal rule to apply, which applies to other functions at the Town Hall, whereby it is the refreshment room which is licenced and persons are not allowed to take intoxicating liquor into the Town Hall itself. Now, it's not a metter for me to just say what the organisers of darts matches should do, but I do point out that if it is desired that persons who find themselves on the Black List should be able to compete at darts matches that is how it could be done without a breach of the law.

In respect of the point raised by the Honourable Member for Camp, Mr Blake, on the question of "drunk" and "drunkenness" in a bar, which is Clause 28 or the new Section 28 which would be inserted in the Bill by the Schedule, it should be remembered that as in all cases of criminal offences the obligation is on the prosecution to prove the matter beyond reasonable doubt. It is no more difficult for the prosecution, and no easier, to prove that a person to whom alcohol is supplied in a public house is drunk than it is for them to prove that a person who is driving or is in charge of a motor car is drunk or whose, in other words, ability to drive a motor car is taken away because of his drunkenness. It is in any case a provision which is modelled closely on a provision elsewhere and it is obviously I would suggest to Honourable Members desirable that people who are drunk and were likely to make a nuisance of themselves in a public house, because of their drunkenness, should not continue to be supplied with alcohol by the licensee when they have reached the stage when they are drunk. Now I think that any experienced licensee should be able to tell when a person is fairly obviously drunk and if he is not able to do that I suggest with respect that he should not be a licensee.

As far as the point which was I think raised by the Honourable Member for Stanley, Mr Cheek, on the subject of a photograph in relation to persons on the prohibition order, it may not have been noticed that the new Section 26, subsection (2), makes it an offence for any person who is aware of the order to serve liquor to a person who is the subject of a prohibition order and aware of the order means that he knows that the person to whom he is supplying intoxicating liquor is a person in respect of whom a prohibition order is made. There is of course no prospect of the

Police, as advised by me, prosecuting any person who genuinely isn't aware the person concerned, that is the person to whom intoxicating liquor is supplied, is on the Black List, although if there were to be too many occasions on which this were done by any particular person we would begin to wonder whether the unawareness was genuine or not. As far as the photographs themselves are concerned I have to point out that if we were going to supply photographs of persons to public houses, in respect of persons who were on the Black List, we would have to have a right to take those photographs and to insist that the person should allow himself to be photographed. Now it is a matter of civil liberties and of course it could be provided for by the legislation. I would hesitate myself in respect of this sort of matter to insist that a photograph be provided and that a person should allow himself to be photographed for this purpose. It is normal only to require a person to submit himself to be photographed if he has been convicted of an offence for which he has been sentenced to imprisonment and then not in every such case either, so that I would shrink, although I am in the hands of Honourable Members, from providing in legislation for a photograph to be taken in such circumstances.

As far as the review of the Licensing Ordinance is concerned I regard the Licensing Ordinance as being one which will require review at as early a stage as possible, but one which will require the greatest possible consultation particularly with licenced victuallers and those who are interested, and the clubs and associations in the town who may be affected, because for as many proposals as might be made there will be as many opinions on them and of course there will be lengthy matters on which Executive Council will have to be consulted.

Your Excellency, Honourable Members, I hope I've dealt with all the points raised by Honourable Members in this reading.

#### **The President**

Thank you. If there are no objections after that learned exposition and Honourable Members have nothing more to add then the Bill may be read a second time.

**The Bill was then read a second time and passed through its remaining stages without debate or amendment.**

#### **THE OLD AGE PENSIONS (AMENDMENT) (NO 2) ORDINANCE 1988**

##### **The Honourable the Financial Secretary**

Your Excellency, in practice and by virtue of exemptions granted under the Taxes and Duties Special Exemptions Ordinance 1983, which was repealed in late 1987, employees of military contractors and the contractors themselves were exempt, and are exempt, until the 31st December 1988 from Old Age Pensions contributions, or in practice Old Age Pensions contributions have not been levied.

This Bill seeks to exempt from Old Age Pensions contributions those persons who are exempted from Medical Services Levy under the Medical Services Levy Ordinance 1979, those persons will also be exempt from Income Tax by virtue of the Income Tax Ordinance. I beg to move that the Bill be read a first time.

The Bill was then read a first time and passed through its remaining stages without debate or amendment.

#### THE MEDICAL SERVICES LEVY (AMENDMENT) ORDINANCE 1988

**The Honourable the Financial Secretary**

Your Excellency, this Bill proposes to extend the exemptions of Medical Services Levy to persons engaged in providing services to the UK Government in connection with the defence of the Falkland Islands. Previously such exemptions have been granted to contractors by name under the provisions of the Taxes and Duties Special Exemptions Ordinance 1983, which was repealed in late 1987, and these exemptions will expire on 31st December 1988. I have one amendment to make at the Committee Stage because of a slight error in that the Schedule states "emoluments paid to any person by any institution..." where it should be "emoluments paid to any person ordinarily resident outside the Falkland Islands by any...". I will raise that amendment at the Committee Stage. I beg to move that the Bill be read a first time.

The Bill was then read a first time and passed through its remaining stages without further debate except that the Schedule was amended as described by the Financial Secretary in his introductory remarks, and also by the deletion of the word "a" from the first line of the new paragraph (o) proposed in the Schedule.

## THE ELECTORAL ORDINANCE 1988

### The Honourable the Chief Executive

Your Excellency, Honourable Members, I beg to move that the Electoral Bill be read for a first time.

Honourable Members have the benefit of a lengthy explanatory memorandum prepared by the learned Attorney General explaining the provisions of the Bill. The Bill is a long and important one and if enacted would replace the Legislative Council Elections Ordinance. That Ordinance has been amended a number of times since it was first enacted in 1948 against a background of an entirely different Constitution and with a differently constituted Legislative Council. It does not now lend itself to further amendment so as to comply with the present Constitution if it is to be readily and sensibly understood by those who need to use it. For that reason the learned Attorney General who drafted the Bill now before the House decided to make an entirely fresh start.

The length of the Bill is formidable: it has nine parts and 211 clauses, and because the Bill is such an important one great care has been taken to give members of the public and interested organisations a full opportunity to consider and comment upon it.

If I were to isolate the most important provisions of the Bill I would select the provisions relating to the qualifications to be an elector. Those provisions were published for comment within the Gazette as long ago as last March and I am told by the learned Attorney General that no adverse comments have been received in relation to them.

The Bill as a whole was published in the Gazette on 12th October and again no adverse comment has been received from anybody in relation to the electoral qualification provisions.

As a result of a comment made by the Honourable L G Blake, a Member for Camp, a new Clause 53 has been inserted in the Bill which changes the original provisions in the Bill as to public officers standing for election as a member of Legislative Council. The new Clause 53 reflects, as the original Clause 53 did not, the deliberations of the Select Committee in relation to the 1985 Constitution. In brief that Committee decided that in rough terms public officers who were not Heads of Department should be able to stand for election as members of Legislative Council without having to resign from the Public Service. That is an unusual provision and reflects local circumstances. It applied at the 1985 General Election.

The Bill must reflect the provisions of our Constitution. The Constitution provides the basis of qualifications for voting and standing as a candidate for election and the Bill cannot in any way alter or contradict those provisions.

Under the Constitution a person is qualified to be registered as an elector if he is a Commonwealth Citizen, over 18 years of age, who has been resident for the qualifying period on the qualifying date and is not otherwise disqualified from being registered as an elector. The Constitution requires the Bill to state the qualifying period and the qualifying date and enables a differing qualifying period to be set in respect of persons who were born in

the Falkland Islands and those who were born elsewhere.

At the 1985 General Election the qualifying period was set at 12 months for people who were born in the Falkland Islands and 5 years for persons who were not born in the Falkland Islands and the Bill does not alter that. But Falkland Islanders are now absent from the Falkland Islands far more often than they used to be in the past and it is appropriate for the Bill to make specific provision to allow absences for educational reasons, or on business, or for holidays and the like to be counted as residence in certain circumstances. The explanatory memorandum explains those provisions and the learned Attorney General has done a number of worked examples which I understand have been circulated amongst Honourable Members to show how those provisions of the Bill would work in practice.

It is only necessary for me to emphasise at this point that the somewhat complex provisions deal only with permissible absences and do not in any way tinker with the basic qualifications for registration as an elector which applied at the last General Election, and as I recall the subject of deliberation in a Select Committee of this House.

Now I know that some people will be disappointed, Your Excellency, that people who become 18 during the currency of an electoral register cannot immediately become entitled to vote. In the UK provision has specifically been made in the law for persons who become 18 during the currency of the electoral register to be able to vote from their 18th birthday. I personally believe that that provision is a sensible and fair one, and I know that the Attorney General holds the same view. However, he has pointed out to me that Section 27(1) of the Constitution requires an elector to be 18 years or over at the qualifying date for registration as an elector, and that this means that the sort of provision which applies in the UK and which I have mentioned cannot be made in our electoral law without a change in the Constitution. Honourable Members may well think that that is a matter which ought to be taken up whenever in due course the Constitution comes to be reviewed.

Now I have contented myself with dealing with only a few important points originating from the Bill, because I think it is right for the learned Attorney General to speak as to both the basic framework of the Bill and as to matters of detail. It is necessary, I should add, that this Bill should be considered by the Legislative Council at this session because a General Election must be held no later than the austral Spring of 1989. For that to be done all sorts of provisions have to be made which are governed by the electoral law including, most importantly, the electoral register preparation which the Bill would require and which must take place in late May or early June of 1989.

Your Excellency, Honourable Members, I move that the Bill be read a first time.

**The Bill was then read a first time. On the motion that it be read a second time Honourable Members spoke as follows:**

## The Attorney General

Your Excellency, Honourable Members, before Honourable Members speak to this Bill it may be helpful if I flesh out some of the provisions of the Bill, the main provisions of which have been dealt with by the Chief Executive, and to give some explanations in relation to it.

Your Excellency, Honourable Members, of course it's very easy to say that this is an important Bill and it is an important Bill and one which clearly Honourable Members will consider carefully, and they may be a little daunted by its apparent bulk and complications and with that I sympathise.

Your Excellency, it has not been an intention of mine in drafting this Bill radically to change the existing provisions. This is really by way of a consolidation and amendment Bill to stand as one comprehensive piece of legislation dealing with elections except that of course regulations will have to be made prescribing forms and including forms of ballot papers, instructions to electors and the like. The Bill is modelled on the Representation of the People Act 1949 of the United Kingdom and other Commonwealth legislation which makes similar provision to the provision which has always existed in the Falkland Islands since 1949; it is also modelled on certain provisions of the 1949 Ordinance.

As the Chief Executive has pointed out the Bill must comply with the provisions of the Constitution. What the Bill doesn't do therefore is make any provision contrary, nor can it, to what is contained in the Constitution. It makes no provision for the number of constituencies, although it refers to the constituencies, because that is dealt with by the Constitution. It makes no provision as to how many of this House there will be because that is dealt with by the Constitution.

What it does do and the Constitution does not is to prescribe the boundaries of the Stanley Constituency and the Camp Constituency. The Constitution says that the boundaries of the two Constituencies are as prescribed by Ordinance. At the 1985 general election the boundaries of the Stanley Constituency were a mile and a half from the spire of Christ Church Cathedral. Honourable members will observe from this Bill that those boundaries are slightly extended, if the Bill is enacted, to two miles from the spire of Stanley Cathedral and that of course is to reflect, conveniently, the growth of Stanley.

The manner of election is not changed by the Bill. It is exactly the same as it has always been and that is a manner very similar to which Members of Parliament are elected in the United Kingdom on a "first past the post" system, although of course here we have multi-member constituencies. But what the Bill doesn't propose is a change which could quite possibly be made under the Constitution which is a change in the voting system to a proportional representation or transferable vote system. Now those changes would be very radical changes indeed but those sort of changes would not be ones which I would include in the Bill unless the House had indicated that those sorts of changes were ones it wanted to be made.

Under the Constitution the basic qualification for election to the

Legislative Council is being a Commonwealth Citizen of the age of 21 years or more and being registered as a voter in the Constituency in respect of which election is sought, and not being prohibited by any law from voting. The Constitution itself lists a number of disqualifications from election, and disqualifications which will result from this Bill would be convictions of certain very serious election offences, such as bribery of voters. A person who is convicted of those sort of offences would be disqualified for a period of time at least from election to the Legislative Council.

There is no change, no basic change, in the person who is entitled to be registered as an elector and indeed the basic provisions of those are again contained in the Constitution.

There are provisions for an extended time for objections to the contents of the preliminary voters list and the voters list, the Bill proposes, is to be prepared annually unless the Governor should order to the contrary, and the voters list will be prepared annually the Bill says by reference to the fifteenth day of May in each year. The preliminary voters list will then be published in the Gazette and persons will have a right to object to anybody else's name appearing in the list, or the omission of their own or anybody else's name from the list. And those objections and claims will be dealt with by the Registration Officer with a right of appeal to the Senior Magistrate and thereafter the definitive Electoral List is to be published in the Gazette.

There are liberal provisions for applying for postal votes and proxy votes. They are more liberal than are contained in the present legislation. There are liberal provisions, which I hope will be to the liking of Honourable Members, for voting on election day. And those are novel provisions and they don't as far as I'm aware apply in any other country, and they are these: that a voter who is, say, a voter in the Camp Constituency, and who happens to find himself in Stanley on Polling Day, will be able to cast his vote for the Camp Constituency in the Stanley ballot box. The manner in which that would be achieved would be because the ballot papers for the two constituencies would be of a different colour.

There is provision for voting in Camp to take place by mobile polling teams with aircraft going with a ballot box and a travelling polling team to the various settlements in Camp to collect the votes of those persons who wish to cast their votes in that way.

There is one point that I would like to clarify because this is a point which I gather has caused difficulties in the past: it's not a provision which is contained in the Bill but is one which is intended to be included in the regulations, and that is in relation to the directions to voters as to the manner in which they may vote. In the past, I understand, that it was felt that a person who had four votes did not validly vote by casting only one of those votes: in other words if you wanted to vote for Joe Bloggs and only Joe Bloggs was the person thought fit to go to Legislative Council he then had to exercise his other three votes for persons he didn't want to go to the Legislative Council, because otherwise it was felt he wouldn't properly have voted. Well the instructions to voters will be on the lines, unless the House says otherwise, that they are in the United Kingdom that you

may exercise as many votes as you like up to the maximum amount of votes you have, which in a general election in each constituency would be four votes. And that I suggest, Honourable Members, will avoid the situation whereby the fact that you have got to exercise four votes, if you had to do that, would prevent you assisting to get in the person for whom you want to vote because you have to throw three votes in other directions.

Honourable Members, there are detailed provisions in relation to the expenses which may be incurred validly at an election by candidates. Now it is a matter for Honourable Members - you could take the view that you wanted a situation very much as applies in the United States where enormous sums can be spent in relation to elections by the candidates. That has not been a tradition in the Westminster democratic system and the Bill provides for a limitation on the amount of expenses which can be lawfully incurred by any candidate for election to the Legislative Council. And the philosophy for that Honourable Members is this: that it should not be beyond the means of any Falkland Islander with the support of a few friends to be able to stand for the Legislative Council if he wishes to do so. In other words he does not have to be, the Bill's philosophy is, a rich man or have the resources of rich friends in order to be able to stand for the Legislative Council. Now as I say it is a matter for Honourable Members. They don't have to impose any limitation on electoral expenses if they do not wish to do so.

Honourable Members will also find a provision of the Bill is that the Government will meet the cost of one electoral communication, not exceeding 50 grams in weight, to be sent on behalf of each candidate to every voter. Now that is a provision which is contained in United Kingdom legislation and may be particularly of assistance to candidates in the Camp Constituency, but I suggest it may also be one which is of some utility to candidates in the Stanley Constituency. And of course that will not be included in the expenses to which I've just referred.

Honourable Members, I hope I have explained those matters in the Bill which were not touched on by the Chief Executive in broad outline as I have explained them, but if any matters of detail arise upon which Honourable Members would wish to have an explanation at the Committee Stage I shall try to afford it.

#### **The Honourable L G Blake OBE JP**

Your Excellency, I rise happily to support this Bill. It contains all bar one of the provisions of the Select Committee, which started its work in 1982, and I'm only too pleased to see it on the Table today. The one provision, of course, which we haven't included I think was due to errors on our part, Members of Council, when we passed the Constitution which did not in fact allow for the registration of voters other than on the qualifying day. It was certainly our intention to allow for that and we did not do so and I must take some blame for that. I do have one or two queries, Sir; they are extremist cases perhaps but I would like clarification on them.

The definition of the bounds of the Constituency of Stanley which is two miles from the spire of the Cathedral - I'm ashamed to say

I'm hazy on my distances but would this preclude a resident of the market garden or a permanent resident of FIPASS from being an elector in the Stanley Constituency. If that is a risk should the bounds not be all areas to the east of the spire of the Cathedral and two miles to the west. That is a minor point which I would like to raise.

There are one or two other points which I would draw attention to, not in complaint, but the Attorney General mentioned the manner of voting which allows for electors to subscribe to less than the total number of candidates. That was a provision in the temporary Ordinance of the 1985 election and I'm very pleased to see it held here.

The other new item which I think is in this Bill, of course, does allow for the delivery of nomination forms by means other than by personal presentation which under the old Ordinance was not possible; and this again I view as a step forward. Sir, I beg to support the motion.

The Honourable J E Cheek

Your Excellency, Honourable Members, being the only other Member here today who was on the Committee that first started sitting in 1982 I am also pleased to see that almost all the provisions that we wanted then have finally arrived. In fact the work that we started then has now largely been completed apart from the Standing Orders themselves of this body which we were talking about six years ago and still need to be modernised, but we'll leave that for another day.

I too have a number of comments I would like to make, specifically in Clause 120 where we are talking about those who can attend the counting of votes. It has been the tradition in the Falklands that the counting of votes is open to all members of the public and although I see that this Clause allows whoever it is who is in charge - I haven't got it open on the right page - to allow others in than those specified, it's only on whether if he believes that it's right to do so on the night or whenever it is. I would be happier if that gave wider powers, or if at least the intention of this House was that the general public would normally be allowed to attend and the exception would only take place in extreme circumstances.

And following on from that, Clause 102, which means that anyone attending such counting of votes has to sign a form of secrecy, or take an oath of secrecy, to me seems a little bit cumbersome. I have certainly attended a lot of countings of votes in this room, both as a candidate and before that as just someone who was interested in the politics of the Falklands, and I think it would be rather cumbersome when I've seen 20, 30 or 40 people in here if each of them had to take an oath of secrecy. Perhaps the learned Attorney General could comment on that later on.

One other point that I remember came up at the time we were discussing the new Constitution - it's mentioned in Clause 131 - and that is the destruction of the documents, the voting slips and things like that. There has, totally wrongly in my view, been a considerable amount of suspicion in the Islands that someone goes through all the votes afterwards and checks them off against the

counterfoils and they can find out who voted for whom. That's a load of rubbish but I think to allay some suspicion is there any chance that we can say that when the documents are destroyed candidates of their agents may attend, having been invited along, so that they can check that the seals are still there, and can report to those suspicious people that in fact no one has been checking through the voting slips to see who voted for whom.

The only other thing that in fact anyone has come up to me and commented on is the candidates' expenses which is under Clause 136. As far as I'm concerned the amounts of money there are perfectly adequate, the most I've ever done as a candidate was to nick someone's "vote for me" badge, scribble out his name and put my own down, so I've never actually spent any money on this lark, and I suspect on the bribery thing the people you really need to bribe are the candidates to get them to actually stand. But I wonder if other Members feel if we should increase that £300 for Camp, £100 for Stanley. My own feeling is that it will make very little difference, if any, how much money you spend. I have a suspicion that the more money you spend the more suspicious people would become of you and the less chance you'd have of getting in.

Some comment has been made on changes to the Constitution outside the remit of this Bill as such, but seeing as it has been changed, there was a change of mention of eighteen year olds not being able to vote unless they are actually registered on registration day, or whatever it was called.

The other two minor ones that I worry about at times are: one, the split of Stanley and Camp, the actual ratio is changing dramatically as I fairly facetiously said this morning it's probably now somewhere in the region of 3 and 5 rather than 4 and 4 and whether we should take account of that I don't know. The other thing is that I think it's a great pity that you have to actually live in an area to be a candidate for that area; I'm particularly thinking of the Camp where I believe people retire, come to Stanley and I'm sure there are Campers who would love to vote for them because those people are the ones who have acquired a lot of knowledge and feeling for the Camp, but they are no longer able to do so and it's the Camp where we have a great shortage of candidates. I think that is one of the main changes that would be advantageous to the Constitution. Sir, apart from that I support the Bill.

#### **The President**

Thank you. Would the Attorney General like to comment on any of that before we see if there are any more views?

#### **The Attorney General**

Well, Sir, it would help if I am permitted to stand up again to explain any other points which any other Member will raise: Councillor Cheek and Councillor Blake have raised a number of points which I can perhaps respond to very quickly.

Councillor Blake as to the boundaries, can we look at that, Sir, in the Committee Stage because there may be amendments which can conveniently deal with that.

As far as nomination papers are concerned, what Councillor Blake said is perfectly correct, there is a change, it is no longer necessary in all cases to deliver the nomination paper personally to the Returning Officer which created difficulties, I understand, in the past, particularly for candidates from Camp.

If I can deal with the points the Honourable Member for Stanley, Mr Cheek, raised: Section 120 of the Bill "attendance at the counting of votes", I think that I would urge that the Bill be left in the state it is subject perhaps to an additional subsection which we might think about at the Committee Stage which places with the Returning Officer an obligation so far as is possible to allow those members of the public who want to attend to attend, but I would very much urge against the removal of the obligation for them not to take an oath of secrecy, and I think one has to look as far as that's concerned at Clause 97 of the Bill because 97(2) says: "every person attending at the counting of the votes shall maintain and aid in the secrecy of voting and shall not ascertain or attempt to ascertain at the counting of votes the number on the back of any ballot paper or communicate any information obtained at the counting of votes as to the candidate or candidates for whom any vote is given on any particular ballot paper". Now the point is this. If a member of the public sees the number on the back of a ballot paper it is with access to certain information possible to tell for whom a particular voter had voted. Equally sometimes voters believe it necessary to sign ballot papers and I've seen cancelled votes in which the ballot paper has actually contained the voter's signature and there, by those means, the candidates for whom the voter has voted, although his ballot paper in those circumstances is going to be invalid, will be disclosed. And I think it is a most important matter that persons who are allowed to attend at the count of the votes are required to take an oath of secrecy. And it isn't a matter that occupies very long - if you've got 50 people who want to attend I assure you that 50 oaths of secrecy can be very rapidly taken - and there are counts in the United Kingdom where hundreds of people attend the count and again every one of them, including the television cameramen and the television commentator, are required to take the oath of secrecy, and I would very much urge in the interests of stressing the importance of the secrecy of the ballot box that all persons who attend at a count of votes should take the oath of secrecy. And I know that Councillor Cheek, by what he has said, and the Honourable Member had said in relation to the destruction of ballot papers how much he in fact valued the secrecy of the ballot box.

As far as the other matter he raised of the destruction of the voting slips I have no objection and this perhaps can be done by Regulations made under the Ordinance without amending the Bill itself for the candidates and their agents to be allowed to attend at the destruction of the voting slips in due course. It is something I sympathise with if the public here have any fears on that score I am more than happy by provision in the Regulations to provide for such attendance so that the public are assured that their voting slips are properly destroyed, and at the time that they are destroyed that the seals are intact on the bundles of papers. I think that again is a most important matter and one with which I have every sympathy.

As for the point which the Honourable Member raised on candidacy

of a person who is resident or who's on the electors list in one constituency standing as a candidate for another constituency, the difficulty I think we face is that a provision is made by Section 23 of the Constitution and is not therefore one which I can alter by this Bill that is that the person concerned must be registered as a voter in the constituency in which he is seeking election. I do not know whether that is a matter which the Select Committee had urged upon the draughtsman of the Constitution, because it is an unusual provision; it is not a provision which applies in respect of candidacy for Parliament for a constituency in the United Kingdom and it is not a provision I have seen in any other similar Constitution or Constitutional document. I would have thought that there would be no difficulty in securing an amendment at an appropriate stage when amendments to the Constitution are being considered.

**The Bill was then read a second time. At the Committee Stage the following amendments were made to the Bill:**

**PART II - Clause 6**

**The Attorney General**

Your Excellency and Honourable Members, I would suggest that you may like to consider an amendment as to delete the words "within a distance of two miles from the spire of Christ Church Cathedral" so that it reads: "as lie within such distance as may be prescribed from the spire of Christ Church Cathedral". For clarification "prescribed" means prescribed by Regulations under the Interpretation Ordinance.

In Clause 6(2) "as lie further than the prescribed distance" instead of the "distance of two miles". That would enable consideration to be given at leisure to what the distances should be, and it may be that all Councillors on another occasion will be consulted on those distances before those regulations are made.

"Prescribed" of course does mean "prescribed by Regulations" and the Regulation-making provision will cover that, and if we go to the end of the Bill you'll find that there is a Regulation-making provision in Clause 209; and it's 209(c) - "prescribing any other matter necessary or convenient for the purposes of this Ordinance, and it would be necessary under 209(c) then, with that wording of 6(1) and 6(2) to prescribe that distance by Regulations. I wonder if that would meet the Honourable Member's point?

**The Honourable L G Blake OBE JP**

Yes, that will be fine.

**Clause 6 was then adopted as amended**

**PART V**

**The Honourable J E Cheek**

I wonder if I could ask the learned Attorney General if there is any way that Clause 120, that he could see his way to devising something that will give some indication that we believe that the public and indeed the media be allowed to attend the counting of votes. I feel that it is something we have done in the past... although I am sure we feel that way at the moment, whether a Returning Officer in four years' time would know the feeling of this body, I tend to feel that it might not be so.

**The Attorney General**

Would the Honourable Member accept perhaps an amendment to Clause 120(2) so that it reads at the beginning: "without prejudice to Subsection 6", and then the addition of a Subsection 6 which would read: "So far as is reasonably practicable the Returning Officer shall permit all persons who wish to attend the count to do so". Now that amendment would not confer an absolute right on anybody to attend the count, except the persons listed in (a), (b), (c) and (d), but would draw to the attention of the Returning Officer the intention of the Legislature was that so far as is reasonably practicable the Returning Officer shall permit such persons who wish to attend the count to do so. I think that would cover the situation.

**The Honourable J E Cheek**

I am happy with that, Sir.

**PART V was then adopted as amended**

#### **PART VI**

**The Honourable R M Lee**

The expenses limitation...does that include travelling expenses for a Camp person?

**The Attorney General**

No, it doesn't include the travelling expenses of a candidate - there is a particular provision which says so- but no it doesn't include the travelling expenses of a candidate. Those are personal expenses which are permissible, so that if you decide that you wanted to pay FIGAS fees and go all over the Camp if you were standing for election to canvass your constituents that would not be counted as part of your election expenses; and nor in future time, if we have the ferry and you have ferry charges for carrying your landrover and the rest of it, would it cover the charges for putting your landrover on the ferry and driving down to Walker Creek and North Arm.

**The Honourable R M Lee**

Just one other point, would telephone Bills be considered as an expense?

**The Attorney General**

If you decided to ring up your voters to canvass their votes that

would be an expense which is within the limit of the expenditure so that you can't count telephone Bills as being personal expenses, those are part of the campaign expenses. Mind you, that's only from the time the campaign starts so if you're canvassing that way before the general election or by-election is called that would not be included or counted in your expenses. But once the election is called and you have made up your mind that you are going to stand as a candidate, if you ring someone in the constituency and say, "Hey, Fred, vote for me, I'm going to stand for election", that is counted as part of the expenses and even though the telephone charges aren't very high they would certainly mount up if you tried to do a telephone call-in on all the voters in Camp.

**The Bill was then read a third time and passed**

## THE LAW OF CONTRACT ORDINANCE 1988

### The Honourable the Chief Executive

Your Excellency, Honourable Members, the Law of Contract Bill 1988 forms part of the law revision programme commenced by Michael Gaiger and vigorously continued by the present Attorney General, and he tells me it forms a very important part of that programme.

It was published in the Gazette on 29th April last, together with an explanatory memorandum dealing with the provisions of the Bill. By notice published in the Gazette at the same time the learned Attorney General said he would be grateful if any person having any comment on the provisions of the Bill, or seeking any further explanation of it, would contact him. He tells me that nobody has contacted him and he has not heard of any comment on the Bill. Perhaps after reading the Attorney General's explanatory memorandum everyone was satisfied with it.

Honourable members may permit me to remind them of the introductory passage of the explanatory memorandum in relation to the Bill, which I think explains its importance and its place in the law of the Falkland Islands very well. The explanatory memorandum says:

"The Bill seeks to incorporate with such amendments, modifications and adaptations as appear to be necessary in local circumstances, the provisions of a number of English Statutes which already apply in the Falkland Islands. One reason for doing so is that these Statutes regulate important and everyday matters of wide general importance but copies of them are not generally available for consultation.

Additionally the Bill seeks to adopt as law of the Falkland Islands certain other English Statutes (for example the Supply of Goods Act 1982) which do not already apply as law of the Falkland Islands.

The Bill seeks to set out in detail certain provisions of importance relating to the law of contract which appear in English Statutes but which do not yet apply here. The provisions are set out in detail as part of the law of the Falkland Islands because they appear to be of general importance and such that they should be available for ready consultation locally. It is important to emphasise, Your Excellency, that the Bill does not seek to consolidate the common law as to contract. Indeed Clause 55 of the Bill specifically provides that, except insofar as is inconsistent with Statute, the common law will continue to apply.

The Bill is necessarily somewhat lengthy being of 55 Clauses and 5 Schedules, but is divided into parts as far as possible so as to divide the whole subject matter of the Bill into logical segments".

Honourable Members will forgive me if I say that I will not propose to go any further because I shall be getting into areas of law about which I am not qualified to talk and on which it would be far better for me to call in aid the learned Attorney General. Your Excellency and Honourable Members, I move that the law of Contract Bill 1988 be read for the first time.

**The Honourable L G Blake OBE JP**

Your Excellency, I just have one query. Can somebody tell me which is Clause 55: my Bill has 54 Clauses?

**The Attorney General**

I do not know how the error arose, Honourable Members; there are but 54 Clauses of the Bill on my copy of the Bill; I am not seeking to put in a Clause 55 which says that the Attorney General's contract with the Falkland Islands Government is hereby amended to raise his salary to £100,000 a year; you may be assured of that!

**The Bill was then read a first time and passed through its remaining stages without debate or amendment.**

**THE INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) ORDINANCE 1988**

**The Honourable the Chief Executive**

Your Excellency, Honourable Members, I should begin by disclaiming any responsibility whatsoever for any of the dates, references to Sections or otherwise in my speech which has been prepared for me by the Attorney General.

This Bill, Your Excellency, replaces an Ordinance which was enacted shortly after my departure in 1987 and which I'd seen in draft before I went. The Interpretation and General Clauses (Amendment) Ordinance 1987 was unsatisfactory as it turns out because the Section 81A which it put in the Interpretation and General Clauses Ordinance 1977 did not provide satisfactorily for the pre-eminence of local Ordinances and Regulations over the common law, and indeed over English statutes and subsidiary legislation which applied in the Falkland Islands only by virtue of Falkland Islands legislation having applied to them.

Essentially what the present Bill seeks to do is to state as clearly as possible what the law of the Falkland Islands is when we have no local legislation on the subject and when no United Kingdom legislation has been made which automatically applies by its terms to the Falkland Islands. The position would be that under the new Section 81A of the Interpretation and General Clauses Ordinance 1977 which would be inserted by Clause 3 of the Bill, all Statutes of general application in force in England on the 22nd May 1900, and all subsidiary legislation of general application for the time being in force and which was made under any Statute which would apply in the Falkland Islands unless it is inconsistent with any local legislation or any legislation made in the United Kingdom directly applying to the Falkland Islands.

However, where the 1900 legislation had been amended or replaced by later English legislation that later legislation would apply in place of, or in addition to, the 1900 legislation. Where no written law exists the English Common Law and the rules and doctrines of Equity would apply.

The Bill is a technical legal Bill, as you might have guessed from my description of it, intended to deal with a particular legal difficulty to ensure that local Statutes prevail over English legislation adopted to apply here. Although the Bill deals with legal technicalities it is in so doing dealing with matters of great practical importance.

Honourable Members should be assured that the Bill does not intend to make any new departures or provide any radically different law. Honourable Members have, I believe, the benefit of the explanatory memorandum prepared by the Attorney General which explains in some detail the history of the provisions of the Bill and I am sure that if necessary he will, at the Committee Stage, be prepared to furnish any further explanations that may be needed. Your Excellency, I move that the Interpretation and General Clauses Bill 1988 be read a first time.

**The Bill was then read a first time and passed through its remaining stages without debate or amendment**

#### THE TELECOMMUNICATIONS BILL 1988

##### **The Honourable the Chief Executive**

Your Excellency, Honourable Members, it is now urgently necessary for the Falkland Islands to enact a modern telecommunications Ordinance. As Honourable Members will be aware work on the installation of the new telecommunications system for the Islands is now commencing. It is anticipated that the work will be completed by and large, by the end of 1989 although some work will remain to be done in the early months of 1990. It is to be fervently hoped that the new system is in operation before the Government telephone system in Stanley finally collapses.

As Honourable Members will be aware, on the 2nd September the Government entered into an agreement with Cable and Wireless as to the provision of a new national telecommunications system in the Falkland Islands. Under that agreement, the Government is paying for the new telecommunications system in Camp while Cable and Wireless is paying for the new telecommunications system in Stanley. When the Camp telecommunications system is complete the Government will lease that system to Cable and Wireless and will licence Cable and Wireless to operate the Camp telecommunications system and the Stanley telecommunications system as one national telecommunications system. International telecommunications facilities presently operated by Cable and Wireless, and I must say that they have over the years provided an excellent service, will be merged with the Stanley telecommunications and Camp telecommunications system and be operated in the words of the agreement "as one integrated system and one public telecommunications utility". The agreement provides that it will be the obligation of Cable and Wireless throughout the duration of the licence, so far as is reasonably practicable, to offer to subscribers in Camp similar services and facilities to those offered by the company to subscribers in Stanley and that in addition to national and international telephone services, including where available subscriber international direct dial, the services offered to Camp subscribers will include national and international telex services and national and international

facsimile services.

So far as possible too, these services will be available as soon as the company commences operations under the licence which will run to the year 2010. In the agreement with Cable and Wireless, the Government was anxious to preserve consumer choice and not to grant a monopoly in the provision of equipment which would not be in the consumers' interests. Subject to compatibility a consumer if he wishes may provide his own telephone instrument, although this is not likely, I understand, to be practical in Camp, and his own facsimile machines. Alternatively he can buy these from Cable and Wireless. Cable and Wireless assure Government that they will offer competitive prices in the knowledge that consumers will be well able to purchase their equipment elsewhere. A consumer must, however, if he wishes to have telex equipment, obtain that equipment through Cable and Wireless. This I understand is for reasons of technical compatibility with the Cable and Wireless system and the maintenance of the telex apparatus in the interests of services to other consumers in good condition.

The total cost of the new national telecommunications system will be £5.3m, half of which is being borne by the Falkland Islands Government. The new system is a digital telecommunications network and under the agreement Cable and Wireless are to be granted a 22 year exclusive licence. All telephone customers in the Islands will have international direct dialling and features such as conference calling and call diversion. Indeed it would be true to say that more features will be available to the consumer here than are generally available in the United Kingdom. It will obviously play a critical part in improving the quality of life in the Falkland Islands and particularly in Camp, although the confidentiality of the system may possibly make for less entertainment! The 2 and 4 metre systems will of course be allowed to continue and will surely still be essential for people living in Camp when working away from their home and in case of accident. Sadly, however, (that is my advice, perhaps you can take that up at a later stage if you don't agree with that.) Sadly, however, the RT system will go and here I should like to pay a particular tribute to the services of Ilene Vidal over 8 years. I think she's become very much part of the Falklands way of life and I believe her contribution to that way of life will be sorely missed.

Honourable Members I shall leave the Attorney General to explain the detailed provisions of the Bill to you but I will add a few further points. The first is the matter of charges for telecommunications services. Honourable Members will see that these can be controlled under section 45 of the Bill. The Schedule to the Bill contains the initial tariff. Dialed calls within the Falkland Islands will cost 5p per minute or part of a minute, and calls using an operator, and obviously there will only be a need to use an operator in case of difficulty, will cost 8p per minute or part of a minute. This is the case whether the subscriber is in Camp or in Stanley and is telephoning another subscriber in Camp or in Stanley. It will be possible to telex within the Falkland Islands and I imagine it will be quite common to telex between Camp and Stanley. Telex charges within the Islands would be at the rate of 25p per minute or part of a minute. Facsimile charges in the Falkland Islands if from a subscriber's own equipment will cost the same for the call as a telephone call,

that is 5p per minute or part of a minute. It is arguable that the Post Office may lose business because an A4 sheet can normally be sent in one minute and a call charge would be cheaper than postage on a letter.

It will be noted that the installation charges for telephones in Camp and Stanley are the same during the construction phase of the new system but after the end of the construction phase in Camp they will go up from £15 to £100. This is simply because these charges include air fares and the amount of time spent travelling and waiting for aircraft. Viewed in that light they may not seem to be that unreasonable.

The second point I would wish to make is that the Bill would also cover broadcasting. Honourable Members might like to refer to Clause 6. (I hope that is the correct Clause). The learned Attorney General tells me that when he drafted the Bill, it was before he knew of any prospect of agreement between SSVC and the Falkland Islands Government for the re-broadcasting of SSVC television programmes. As Honourable Members will be aware, the SSVC service started ten days ago to re-broadcast their programmes to Stanley so that residents in Stanley can now resume their watching of Coronation Street and other favourite programmes and I would like to take this opportunity of expressing publicly the Government's thanks to SSVC for the speed with which they have installed the relay facility.

I have heard, I should say finally, that some people in Camp hope that Government will do the same in Camp in respect of the television service but I'm afraid that that could well be an enormously expensive and difficult thing to do and I'm not sure whether it is technically possible. I know that some parts of the Camp did steal a march on Stanley by being able to receive the broadcasts direct from SSVC's transmitter at Mount Pleasant Airport but whether matters can be taken beyond that I do not know.

Honourable Members I commend the Telecommunications Bill to you. I move that it be read a first time.

**The Bill was then read a first time. On the motion that it be read a second time Honourable Members spoke as follows:**

**The Honourable R M Lee**

I would just to rise to support the motion and make two points. One, I was very pleased to hear the Chief Executive mention that the traditional 2 metre network will not be tampered with, with the introduction of this Bill. I'm not really sure whether the House realises just how dear to some peoples' hearts it is to be able to talk to one another via the 2 metre set and I have been asked by a number of people from the far West to ask the House for a categorical assurance that they will be able to continue their normal conversations on 2 metres.

The other comment I would have is on the tariff but I believe there is an amendment to be put forth on this: again many people in my area feel that the rental charges should be the same in Camp as they are in Stanley, after all we established this morning there were no divisions between Camp and Stanley.

### **The Honourable J E Cheek**

Your Excellency, Honourable Members I too rise to generally support this Bill. I've got a few points I would like to make and one or two queries I would like to ask the learned Attorney General. But, as thanks are going out to SSVc for the prompt way in which they provided television, may I also add mine, and I know a lot of other peoples thanks, to the efforts of the Honourable Member for Stanley, Charles Keenleyside, without whose novel work earlier on in the year I doubt very much if SSVc would have acted in the speedy way that they have. But thanks to those people anyway.

### **The Honourable the Chief Executive**

And Councillor Teggart, too.

### **The Honourable J E Cheek**

Referring to the lead-in to this Bill, the Chief Executive saw me raise my eyebrows and he stopped for the moment. I was raising my eyebrows at his mention of the words 4 metres. As far as I understand the 4 metre band is nothing but an amateur band. I've never heard of any waiver given to that band where it could be used in the same way as 2 metres. Actually 2 metres within the Islands is certainly no longer an amateur band. 4 metres to the best of my knowledge still is.

The other points of substance I was going to raise, in Clause 2, in the definition of "broadcast", you mean that transmission by wireless telegraphy etc., etc. I find that the use of the words "wireless telegraphy" there most odd. I hope I'm not being too pedantic - probably I am - wireless telegraphy is not defined within the Bill and I would certainly not use it in that context. Could I ask the Attorney General why the words "wireless telegraphy" could not be replaced by the word "radio" which in fact is defined within the Bill and to me would make much more sense.

The other thing I would like clarification on is Clause 61 which introduces I believe, or will make law, a British Bill which is the Marine and Broadcast Defences Act 1967. I haven't got a copy of that, I'm only going by memory, but if it's what I think it is, it means that no-one in the Islands can listen to anything other than broadcast and amateur. Maybe I'm totally wrong but if it's the Bill I think it is that is what it says. It looks by the shake of the head that I'm wrong but if we could have some details of what that Bill stands for.

The other thing, I was going to raise one or two points on the tariffs was in the schedule, but I believe there's going to be some changes to that. I would hope that they would cover such things as, for example, the two different rates for international calls to the U.K. depending on whether you use 02 or 01, one of which is suitable for Cable and Wireless system in the U.K., and the other which is the British Telecom system. I would hope that that difference in fact is not continued. I don't see why we should have to pay the two.

The other one which worries me a little bit is for telex charges

and telephone charges; I see it goes as far as the rest of the world. It worries me a little bit that INMARSAT calls, which I know cost a lot more than that and there's no provision for them there. Certainly Cable and Wireless would be losing considerable money if they could only charge £2.73 to the rest of the world for INMARSAT calls. Otherwise I support the Bill.

### **The Attorney General**

Your Excellency it might be helpful for me to rise to my feet at this stage.

Clause 2, definition of "broadcast". I have used the definition which appears in comparable legislation elsewhere. I am by no means a technician or have a technical knowledge and therefore although I would agree that radio would appear to be a more modern expression, I have played safe in matters where I have no sufficient technical knowledge and have used the phraseology which appears in other legislation.

The provisions of the Marine etc. Broadcasting Offences Act 1967, relating to Pirate Radio Stations, make it an offence for any resident of the United Kingdom to supply services to or take employment on or be concerned in the operation of a pirate radio station. The opportunity has been taken with the presentation of the Bill to this House to include such provision in our legislation, it being our obligation by the application of the ITU Conventions to provide in our legislation similar provision to the Marine etc. Broadcasting Offences Act 1967, which is a piece of legislation which relates to international obligations under, if I remember rightly, the World Administrative Radio Conference Resolutions, and that is why that Clause appears in the Bill.

As far as the Schedule is concerned, and so that it may be clear what is happening here, I shall at the Committee stage be asking the House to consider amendments which will mean that rental of lines (telephone lines that is) will be the same charge in Stanley and in Camp.

The provision which refers to 02 international call routing and 01 routing which is a note, will be deleted if the amendment I shall ask for is carried, and the reason for this is not that I made any mistake in the drafting of the Bill but that Cable and Wireless on being presented with the Schedule which was drafted in accordance with what has been happening here particularly with relation to public call boxes, have decided that it is inappropriate that they should make a differentiation in charges dependent on which routing is used, and therefore with alacrity I said I would propose to the House that that be deleted.

They have also raised the question of the INMARSAT services and the Honourable Member for Stanley, Mr. Cheek, is quite right the schedule did not relate to the International Maritime Satellite Convention charges and I would propose to suggest at the Committee stage of this Bill, that a third note be placed to the schedule which would say that it did not relate to services to which the International Maritime Satellite Convention relates, and that I think would cover the matter. I hope I have addressed all points which have been raised by Honourable Members but if I have not, no doubt Members will remind me in relation to the particular

Clause at the Committee stage.

**The Bill was then read a second time**

**The President**

I declare the Council to be in Committee.

**The Attorney General**

I wonder, Your Excellency, if I might refer to the Schedule so that I can ask for the various amendments to be considered, because I think those are the only amendments at this stage. If Honourable Members could refer to the Schedule:

Paragraph 1 of the Schedule:

delete sub-paragraph (c);  
delete the word "Stanley" in both (a) and (b); and  
place an "and" after sub-paragraph (a) and a full stop after sub-paragraph (b) in Paragraph 1 of the Schedule;

delete the note appearing after paragraph 2 of the schedule, that's the one which refers to the international call routing;

in paragraph 5, sub-paragraph (b), delete the word "bureau" and change that to "counter" so that those charges only relate to facsimile charges from Cable and Wirless's counter not their bureau;  
and

then add a new Note 3 to the foot of the Schedule which would read:

"This Schedule does not regulate charges for services to which the International Maritime Satellite Convention relates". In other words, Honourable Members, by way of explanation it would not relate to telecommunications services to and from ships which were equipped with equipment to correspond with or correspond through the International or INMARSAT satellites.

**The Honourable J E Cheek**

I have just one query for the Attorney General. Clause 6 (c)(ii), the words in brackets after "Camp £100" which read: "(and whether on existing line or on dedicated line)."

**The Attorney General**

The installation fee for a facsimile machine in Camp is to be £100 and that is whether it is also a line used for telephone or on a line which is dedicated for facsimile use. I'm sorry that wasn't clear and if there is any wording by which I can make it clearer, if the Honourable Member thinks there is a problem on it, I will be happy to try to provide some.

**The Schedule was then adopted as amended.**

Parts I and II of the Bill were then adopted but an explanation was requested on Part III, as follows:

**The Honourable E M Goss MBE**

Your Excellency, I would like to ask the Attorney General for clarification on number 13 - Compulsory Acquisition of Land - if he could tell me how this will be applied and will there be any payments made for such land.

**The Attorney General**

Your Excellency, the situation is this: the effect of the Clause is only to make the functions of the telecommunications utility, and that is one licenced by the Government, a public purpose. Now I think it would be obvious to the Honourable Member that to operate a national telecommunications utility Cable and Wireless are going to need to have various sites available for relay masts and the like, and for equipment in Camp. Obviously it is likely that all these sites will be amicably negotiated with the landowners and occupiers concerned.

There may be the extraordinary case where it is not possible to negotiate a suitable site and as an absolute last resort the Government would have to consider the use of compulsory powers.

Now if the Honourable Member will bear in mind for a moment the provisions of the Constitution there has to be a right to fair and adequate compensation and both the purpose for which land is acquired and the legality of the acquisition by compulsory purchase have to be matters on which the person affected can make application to the Supreme Court, and that is a Constitutional provision under the fundamental rights and freedoms. Full and fair compensation and the right to go to the Court and say there is no adequate reason for compulsory acquiring. And I think you would find from that assurance that there is sufficient protection for the individual and that Clause 13 is merely a declaratory provision which says "telecommunications purposes for a national telecommunications service are a public purpose".

**The Honourable E M Goss MBE**

I should like to thank the Attorney General for his explanation.

Part III of the Bill was then adopted, following which Parts 4 to 9 inclusive were also adopted and the Bill was read a third time and passed.

#### THE EDUCATION (AMENDMENT) BILL 1988

**The Honourable the Chief Executive**

Your Excellency, Honourable Members, The Education (Amendment) Bill 1988 provides for a fixed date in each calendar year in relation to school attendance in place of the variable dates which at present apply. As a result children whose fifteenth birthday falls in early February will know whether or not they are required to attend school for another year. Under the present law they do not know

until they see the school term dates for the new school year.

**The Bill was then read a first time and passed through its other stages without debate or amendment.**

## THE CUSTOMS (AMENDMENT) ORDINANCE 1988

**The Honourable the Financial Secretary**

Your Excellency, this Bill is to provide Customs duties exemptions for persons present in the Falkland Islands for defence purposes. These persons, not being persons who belong to the Falkland Islands, include members of Her Majesty's armed forces, employees of the Navy, Army and Air Force Institute (NAAFI), the Services Sound and Vision Corporation (SSVC) and persons in Her Majesty's service connected with the defence of the Islands, and spouses and dependants of those persons.

Provision has also been made to allow the Governor in Council to extend the exemptions to persons declared to be closely associated with Her Majesty's armed forces in connection with the defence of the Falkland Islands. I beg to move that the Bill be read a first time.

**The Bill was then read a first time. On the motion that it be read a second time the Honourable J E Cheek spoke as follows:**

**The Honourable J E Cheek**

I rise to speak to this Bill, Sir - those who have been with this Council for some time will know why - I have objected right from the beginning to duty free facilities being afforded to those, apart from those in actual defence forces; that is the Army, the Navy and the Air Force.

In the case of tax, in the case of old age pensions, in the case of MSL, I do believe it would cost the British taxpayer more if we taxed, or took pensions or MSL from the people here defending us and those associated with them.

In the case of duties on alcohol and cigarettes this is not so. It's a matter of whether you want to or not. I've consistently objected right from the beginning. I think it's one of the reasons why the last system was stopped: I think we are now trying to get around it another way. I suspect I'm in a minority.

I also object because I think it is divisive. We have too many problems with two communities here - I am talking about the civilians, not the military - and I think this will highlight the fact that there are two communities.

I told the story the other day that earlier this year, in my capacity as a business man, or trying to be a businessman, I was given a gift of a couple of bottles of Saki. I went to the Customs Department so that I could pay tax on it and apparently that is the first time it has ever happened. What I am really trying to say I suspect is that I know I wasn't the only person who got gifts from the fishing fleet. I should imagine a large number of people do. I am still convinced that a considerable number of people get duty free items from Mount Pleasant and from ships coming into Stanley.

As I say, I cannot agree to - let's be specific - the items, what is it, 6A(1)(c)(ii) and (iii). My own feeling is that I would prefer to see duty abolished altogether so that we stop dividing ourselves into two separate communities, even though it would mean

a loss of £400,000 per year. Otherwise, Sir, I support the Bill.

The Bill was then read a second time. During consideration of the Schedule an amendment was proposed as follows:

**The Honourable J E Cheek**

I would like to propose an amendment that in the Schedule 6A(1)(c)(ii) and (iii) be deleted. Otherwise I support the Schedule.

**The Commander British Forces**

In just considering this point perhaps it would be helpful if I made a statement on the number of people affected under the Clause 6A(1)(a), which at the moment as far as SSVC personnel are concerned covers, I think, three people.

On the NAAFI, on the staff side, probably less than ten, and the public service agencies and the civil servants employed by the military, probably less than seventeen and eight respectively.

**The Honourable J E Cheek**

May I ask a question, Sir? Is it not intended that these be extended to those civilian families working at Mount Pleasant?

**The Attorney General**

Your Excellency and Honourable Members. It certainly wasn't my intention when drafting it to extend it to civilian contractors at Mount Pleasant at all. I would not regard them to fall into the definition of "so closely associated with other persons in the service of Her Majesty or otherwise in the defence of the Falkland Islands that he or, the case may be, that class of persons ought fairly to have the benefit of exemption under this paragraph". Now that is a very restricted extension to civilian personnel indeed and was intended to encompass a situation where, for example, there are civilian members of the crew of the "Stena Seaspread" who are serving cheek by jowl with members of Her Majesty's Navy and that it would be quite unfair and impracticable and that the Naval Officers should receive the benefit of the exemption and the civilians who were serving with them should not receive the benefit of the exemptions. That was the sort of case where it was to be extended to civilians and for which the Bill as drafted provides. It was never in my contemplation that it would go to LMA or any person or body like that, and in so drafting it I was conscious of the Honourable Member's attitude to the extension of Customs Duties exemptions to civilians.

**The President**

Will the Honourable Mr Cheek wish to maintain his amendment in view of those explanations, or....?

**The Honourable J E Cheek**

No, Sir, I don't. In fact if the original explanation had been a

bit broader I would not have raised the amendment. I'm quite prepared for it to go as it is.

The Schedule was then adopted and the Bill was read a third time and passed.

### THE ROAD TRAFFIC (AMENDMENT) (NO 2) ORDINANCE 1988

**The Honourable the Chief Executive**

Your Excellency, Honourable Members, I beg to move the first reading of the Road Traffic (Amendment) (No 2) Bill 1988. This is also part of the learned Attorney General's extensive law revision programme.

Last year the Road Traffic Ordinance was amended to provide a number of new offences including, in particular, the breath test offences and the present Bill would take that revision still further.

Honourable Members may perhaps forgive me if I take the opportunity to refer to the operation of the breath test law. Prosecutions under it have disclosed a rather worrying number of instances where the people who have been breathalysed have had alcohol in their bodies at levels which have been of the order of three and four times the permitted level, and that means, Your Excellency, that a number of people have been driving about the streets practically parylytically drunk; indeed stoned out of their minds and on the threshold of alcoholic poisoning itself, and of course people who drive with those levels of alcohol in their body are an absolute menace to the safety of the public. Of course it cannot escape our attention that sooner or later driving in that way is likely to result in death or serious injury to another driver or to a pedestrian. I would like simply to make the point as Christmas is only thirteen days away and we don't want to have death on the road in Stanley. The message must be: "Don't drink and drive".

An explanatory memorandum in relation to this Bill has been published in the Gazette and I will content myself with only mentioning a few of the provisions of the Bill which relate to safety and insurance.

A new Section 7A would provide for regulations to be made requiring annual compulsory testing of the construction and condition of motor vehicles, what is known in the United Kingdom as the MOT test. I would like to emphasise however that those regulations would not come into force until they had been approved by a resolution of this Council and therefore there will be ample opportunity to test public opinion and debate this issue before there is any question of imposing such tests on motor vehicle owners.

However I understand that there have been a number of examples of accidents which have been caused basically by the

mechanical condition of the vehicles being driven about the streets, and again perhaps it can only be a matter of time before one of those vehicles kills or maims.

The Bill provides for regulations for the wearing of seat belts in vehicles in the Islands. That again one can see might be a matter for some controversial debate and there will be ample opportunity for that before such provisions could possibly be brought into force. The seat belt provisions can only be brought in by regulations, and those regulations cannot come into force until they have been approved by a resolution of this House.

Another provision enables regulations to be made requiring goggles, face-plates, visors and the like used with motorcycles to meet certain safety standards. Again this is another provision which is in the interests of safety and would require further debate before in fact it was introduced.

Finally, there is a provision of the Bill which would alter the insurance requirements of the Road Traffic Ordinance so as to require such policies to extend to cover injury to passengers carried in the driver's vehicle. At the moment the law of the Falkland Islands only provides that liability to passengers must be covered by the insurance policy if the vehicle concerned is a public service vehicle.

I believe that Honourable Members would agree that the lack of cover generally for the liability to injury to passengers is a serious matter and one which should be addressed as soon as possible, particularly since the awards of damages for injuries to passengers carried in motor vehicles where the driver has been negligent can, if serious injury is sustained, reach an enormously high level.

Your Excellency and Honourable Members, I move that the Road Traffic (Amendment)(No 2) Bill 1988 be read for the first time.

The Bill was then read a first time. On the motion that it be read a second time the following debate ensued:

**The Honourable L G Blake OBE JP**

Your Excellency, I refer to the two sections which the Chief Executive mentioned which would require a resolution of this House before the regulations were brought into force. I have tried to find some specific statement to that effect in the Bill but I honestly can't find it. It's not that I don't trust his word but the "Government may make regulations" Clause seems to be the standard one in my eyes. But if the application of a compulsory test of the condition of a vehicle and the wearing of seatbelts are to be debated in this House before their introduction I fail to see why it is necessary at this reading of the Bill to actually put it through. I don't like to be giving hostages to fortune and I feel it would be better perhaps if those sections were added as an amendment when it was considered necessary, rather than at this point making full provision for them so that next year when everybody has got used to the idea because many will think that they have actually been passed today they can be slipped through quite quietly. Sir, I must ask this House to reconsider those two

paragraphs or whether perhaps they shouldn't be subject to a separate Ordinance.

**The Attorney General**

The first point I think the Honourable Member raised - now I'm not sure whether he raised it on the satisfactory test of the satisfactory condition of vehicles - if the Honourable Member will refer to Clause 7A(6) he will find that the regulations as to satisfactory condition of vehicles cannot come into force until they have been approved by a resolution of the Legislative Council.

In relation to the wearing of seat belts he will find if he refers to the new Section 12C(9) that no regulations made under any provision of this Section shall come into operation until those regulations have been approved by a resolution of the Legislative Council.

Now I have yet to turn up the motor cycles provisions but..

**The Honourable L G Blake OBE JP**

I did not raise the matter of motor cycles.

**The Attorney General**

I don't know whether you did indeed, Sir, mention the motor cycles provisions, but in respect of the two provisions the Honourable Member did mention there are provisions in the legislation which require a positive resolution of the Legislative Council before the regulations could come into force, and if I may, Your Excellency, I will explain why the provision has been contained in this Bill for the making of those regulations and for them to be approved by a resolution of this House before they come into force.

Now, Honourable Members, these regulations would be detailed and there would be no useful purpose served in drawing them up if there were the remotest prospect of them being passed by this House and it's administratively convenient to provide an enabling provision for those regulations to be made before they are presented to this House for approval. It was exactly the same in the United Kingdom in relation to exactly the same provisions; there the United Kingdom Parliament saw fit to enable regulations to be made for seat belts long in advance, some years in advance, before the wearing of seat belts was made compulsory in the United Kingdom. It's not a question of stealing softly under the dead of night to bring in that sort of legislation and indeed it was because it was a controversial matter that the legislation here, in draft, provides that it does require a positive resolution of this House to bring that sort of law into force. And I do assure Honourable Members that the idea that I would draft the legislation in such a way as to accustom people to the thought, and then they wouldn't even notice when it came in, would be far from my intentions. I hope that the Honourable Member on reflection thinks that perhaps that wasn't my intention.

**The Honourable L G Blake OBE JP**

My apologies, Sir, to the Attorney General.

**The Honourable J E Cheek**

Your Excellency, Honourable Members, I rise to support this Bill although I'd like to speak on one or two items. Firstly though I think we must thank the Honourable the Chief Executive for in matters of road safety keeping us abreast of modern thinking!

That pun gone, to more serious things, regarding 13B which covers cycles I'm pleased to see that that has been introduced and could I make a plea that the Police in fact bring to the attention of children the requirements of people on cycles. It horrifies me to see the way that young children are driving their bicycles around Stanley without any thought of rules of the road or anything else and I know I've had to brake extremely sharply twice and one of these days some child is going to...well it happened earlier this year and luckily the child only received a broken leg or something like that, but if they continue to ride the way they are at the moment there's going to be a serious accident.

I would hope that the seat belt law is introduced fairly soon. It horrifies me to see young children standing up in the front of vehicles. In the UK they wouldn't be in the front of vehicles, they're not even allowed to be strapped into the front seat. Unless you have special straps they have to be sitting in the back seat.

The other thing that I hope is introduced very soon and I think this Bill allows it is that we make known what our road rules are. There is total confusion at the moment as to whether you give way on the right or whether you have priority on hills, and again unless something is done about that that also could well cause an accident. Sir, I support the Bill.

**The Bill was then read a second time and passed through its remaining stages without further debate or amendment.**

#### **THE MERCHANT SHIPPING (TRANSFER OF FUNCTIONS) ORDINANCE 1988**

**The Honourable the Chief Executive**

Your Excellency, Honourable Members, I beg to move the Merchant Shipping (Transfer of Functions) Bill 1988.

This Bill, which is mercifully short and simple, will provide for the transfer of the registry of shipping from the Collector of Customs to the Registrar General. Under the Merchant Shipping Act 1894 it is the Chief Customs Officer in each port of registry in a Colony who is the Registrar of Shipping there. A number of Colonies have already taken steps similar to those proposed in this Bill to transfer the Registry to the Registrar General and simply because this is administratively more convenient. The Department of Trade and Industry in the UK, which is charged with functions relating to British ships generally, and the Foreign and Commonwealth Office have necessarily been consulted about the change and have approved the Bill in draft. I move that the Bill be read a first time.

The Bill was then read a first time and passed through all its stages without debate or amendment.

#### THE APPLICATION OF ENACTMENTS (AMENDMENT) ORDINANCE 1988

##### **The Honourable the Chief Executive**

Your Excellency, Honourable Members, the Application of Enactments (Amendment) Bill 1988 seeks to amend the Application of Enactments Ordinance 1954 in relation to its application to the Falkland Islands of the Crown Proceedings Act 1947.

The Crown Proceedings Act 1947 is the Statute which enables the Crown to be sued in the Court. The Act has applied in the Falkland Islands since 1954 but reflects the constitutional situation then applying when there was no Chief Justice, no Attorney General nor Senior Magistrate and the Governor of the day had to sit as judge of the Supreme Court. Because of the fear, Your Excellency, that a Governor sitting as a judge would not be impartial in a claim against the Crown the existing law makes provision for anybody who sues, or is sued by the Crown, to have his case heard in independent arbitration rather than by the Supreme Court.

Now that we have a Chief Justice and a resident Senior Magistrate whose independence is cherished and guaranteed by the Constitution that provision is not necessary.

I should also mention that it is convenient for the Bill to give the Magistrates' Court jurisdiction to hear claims below £5000.

Your Excellency and Honourable Members I beg to move that the Bill be read a first time.

**The Bill was then read a first and second time. At the Committee Stage the Attorney General spoke as follows:**

##### **The Attorney General**

I see that the Honourable Member for Stanley, Mr Cheek, is puzzled by the Chief Executive's reference to jurisdiction being conferred by the Bill on the Magistrates' Court for matters where the matter in dispute is under £5000. It is a perfectly correct statement by the Chief Executive that the Bill has that effect, but he will look in vain for a provision which specifically says so, and so that the Chief Executive is not accused of having been wrongly prompted by me on yet another occasion may I hasten to explain that the reason that that applies is this: the references to a County Court in the Crown Proceedings Act 1947 and now to be construed as references to the Magistrates' Court under the existing provisions, Section 15 of the 1947 Act which relates to the County Court has been deleted and replaced by references to arbitrators. Now this Bill would bring back in Section 15 and the effect of bringing back in Section 15 and making that a reference to the Magistrates' Court is in fact to confer jurisdiction on the Magistrates up to £5000, and that's the explanation.

**Clauses 1 and 2 of the Bill were then adopted. The Scedule was commented on as follows:**

**The Honourable J E Cheek**

In the second paragraph, at the end, could I ask the reasons for the parentheses between the words Falkland Islands and the semi-colon as there are no, as I would call them, open parentheses for that?

**The Attorney General**

Those quotation marks should not appear. The Honourable Member is quite right and I am obliged to him. Those closing quotation marks can be deleted.

**The Schedule was then adopted and the Bill passed through its remaining stages without further debate or amendment.**

## MOTION FOR ADJOURNMENT

**The Honourable the Chief Executive**

Your Excellency, I beg to move that this House stands adjourned sine die.

**The President**

Honourable Members, before I put this Motion formally, I would just like to raise one final subject. I mentioned in my Address the admirable work performed by the Executive as a whole here; this meeting has of course revealed and emphasised once again the amount of work and responsibility which rests on the shoulders of the Chief Executive. I have had invaluable support from him since my arrival and his strong commitment and devotion to these Islands are undoubted and obvious. He will leave us around March, unfortunately, and this could, I understand, be his last Legco. I am very glad we will have the benefit of his experience and sagacity at least until March and there will no doubt be formal occasions on which we can express our appreciation and gratitude in due course. But I should just like to express mine now on this the occasion of my first Legislative Council meeting.

The Motion is that this House stands adjourned sine die. Does any Honourable Member wish to speak?

**The Honourable C D Keenleyside**

Your Excellency, I rise to support the Motion. To me the biggest thing we have done recently has been the allocation of the £14 million for the new Senior School. I believe that emphasises the commitment of the Legislature to the education of our children and the future of the Falkland Islands. I would add that this figure does not just encompass the school, it encompasses many more facilities, many of which will actually be of benefit to the entire community and not just the children involved. I would emphasise that the site is not yet approved, it is still subject really to the visit of the architect in January.

I would add that the Junior School is to be extended: it certainly hasn't been forgotten by Council and the overcrowded conditions in the Junior School are very well recognised.

Many people will be pleased about the intended refurbishment of Ross Road East and West. This is to go ahead now; funding has been agreed and the contract has been let.

I wish to commend the hard work of the Chief Executive. I echo your sentiments, Sir. He has some very difficult tasks to perform, particularly in relation to Stanley Fisheries and the Seamount affair. Clearing up somebody else's mess is never easy but the Chief Executive I think is doing a very good job in this respect.

On the building front we are seeing a considerable upsurge in house building by individuals. In my first Standing Finance Committee meeting all the loans granted were for transfer of

ownership of existing housing stock. The position has now changed. Many applications are for new houses and I think that this is a very healthy sign. The housing consultant, Mr Phelps, is due to present his Report in the near future. As a result of that I would like to see more encouragement given to house builders. This is surely the most effective use of funds allocated to housing.

Finally, Sir, although Stanley Services have been operating here for some time, no price reductions have yet been forthcoming. From the point of view of the consumer, what gains have we made?

Sir, I beg to support the Motion.

**The Honourable R M Lee**

Your Excellency, Honourable Members. At the end of a long day I shall be brief but there are one or two things I would like to comment on whilst I support this Motion.

I think today has been a good example of the very heavy workload that we all have to bear at these meetings, the passing of 17 Bills and starting work at 8.30 this morning. I do think it reflects just how hard all the staff work, but especially I would have to agree that the Chief Executive is the man behind most of it and starts many hours before us and works many hours after we are all relaxing over a pint of beer. So I would just like to thank him very much from myself and all the people I represent for the hard work that he puts in on our behalf. My claim to fame is that I manage to rankle him at practically every meeting, but I know in his heart he is dedicated to the Falklands and our well-being.

To touch on education, I would like to agree with the Honourable Charles Keenleyside that the building of a new school is the most exciting thing we have to look forward to at the moment. I would even sacrifice a year or two of the ferry to see that project go ahead. I don't think that it's just the education of existing children that we have, there is a tremendous need in the Falklands to educate each and every one of us and I still feel that we can add to our knowledge, so I do believe that even those that have left school should be given the opportunity to further their training.

I was very pleased to hear the FIDC have plans to offer grants and assistance to anyone who wants to train, be it a 50 year old or even a 60 year old. I think that we are discriminating against some children at the moment, or school leavers that, I don't say we're discriminating against them but the choice to them is very easy, they get a job digging on the roads and earn £300 a week or they take up an apprenticeship and earn between £60 and £70 a week, and I do feel that we should offer some financial assistance to those dedicated youngsters that are trying learn a trade, we badly need them and it is just not fair that they earn so much less.

We talked about the quality of life this morning, I think that that is very important to us and something that we should strive to preserve, and should always be in the back of our minds in

every single decision we make, because it is so easy to change the way of life when there is money to be spent and invested. We must not forget the elderly people, after all they brought us to where we are today and I sometimes shudder at the thought of some of the prices they are having to pay. We must be constantly looking at their way of life, they have a right to the best quality of life also and when I hear Christmas lambs being advertised at £24/£25 each I wonder whether we're actually catering for the elderly. It is a tradition here that everyone has a lamb for Christmas; I just can't imagine any pensioner being able to afford to buy one in Stanley this year.

Just to touch briefly again on the fishing, I think we are on the right road now for offering funds to people who want to invest in fishing, although I really feel strongly that the people and businesses that are applying for licences, just like any other businessman, should be compelled to offer up a good written business plan for us all to look at and file away, and each and every year that these people return asking for more licences - which you would naturally expect them to do - I think we should be able to take out the business plan and compare what is actually happening and the people that make most progress should obviously receive the most assistance. That to my mind is the fairest and best way of doing it.

To finish, just a note on the broadcasting, we have just passed a very complicated Bill on telecoms and broadcasting business. I really feel now that SSVC have installed the video system in Stanley everyone seems to be glued to the box every night. I'm actually beginning to wonder whether people are going to switch off the radio at prime listening time? I have noticed even on this visit to Stanley that a number of people have missed important announcements because they have been watching Cilla Black. Now it might be a bit too soon at the moment but I'm wondering whether we shouldn't contemplate setting up some kind of video system where we actually televise our news and switch Cilla Black off for half an hour and put News Magazine on in a visual way. It is just a thought but I fear that this very good service that people are enjoying is taking people away from the radio.

Sir, I wish to support the Motion.

#### **The Honourable L G Blake OBE JP**

Your Excellency, Honourable Members. I don't normally talk about education but if the Member responsible for education will permit me I would like to make one or two comments. The excitement that seems to have been generated by our new school building is good to hear. But, it is with disappointment that I realise just how few of our pupils are going to make any use of that building whatsoever, until it is far too late for them to really get going. We are providing, I believe, an excellent education service and our youngsters are squandering it. It is all very well for people to say: "well, they can go and get a good job, get out, you know they make good money straight away". But surely parents have some responsibility towards the careers their children adopt. We can only make those facilities available but at 25 or 30 when they are still digging holes I do hope they are not going to be complaining about the levels of earnings of imported experts or expatriates

because it is only now if they continue thier education, and further their education, that they will actually be of real use to these Islands.

One can employ mechanical diggers. One cannot employ mechanical Financial Secretaries; one cannot employ mechanical Clerks of Council and if those members, and the members of our Administration and our Government staff had not foregone and continued to forego some of the flash realities of our current affluence then this House would be in an even worse state than it is today, and I implore parents to think more carefully and to try harder to guide their children to make use of the facilities that we are offering and if they can't do it now at least keep at them so that they begin to think at the first available opportunity about making use of the facilities we offer. Government will train anybody for anything if they come along and ask for it. I think that is an accurate description and not to make use of those opportunities I think is a grave mistake.

On a completely different subject, Sir, I would like to float an idea. For ten years or so now Members have held responsibility for Departments. Now at stages throughout the year each Member's Department is the subject of a policy review or change of direction in Executive Council. I would like to suggest that if that Member is not already a Member of Executive Council it would be a good thing if they were included in the circulation of such memoranda as affect their Department and be invited, where major discussions are likely to take place, to participate in an advisory capacity. It is pointless for the Chairman of the Education Committee and the Member responsible for education to have no idea as to what policy decisions, or have no influence on the policy decisions, that are taken with regard to his Department, and I would say exactly the same with all other Departments. I float that idea for future reference and possibly some further discussion.

Sir I support the Motion.

**The Honourable J E Cheek**

Your Excellency, Honourable Members. I too rise to support this Motion and to thank my colleague, Mr Blake, for the comments he has made about education. A lot of them I heartily endorse.

I will mention one or two little bitsy things that I believe will be of interest, hopefully both here and to the wider listening public. Just one thing, I've noticed on two occasions today people have mentioned the austral spring or whatever it was. We're normally talking about our own seasons down here and there is hardly any need to specify that they are austral. I think it might be well worthwhile when we are speaking about the Northern or foreign seasons, then we should make that point clear.

One other very small point, for those children under 16 who received glasses in the last year or so, and have been billed for them, if they are not reimbursed for whatever they have paid in the next month or two, I suggest they contact me and I will see that they are reimbursed. They should not have in fact been charged and they should not have paid for those glasses. All

children under 16 should get free spectacles and I would personally like to extend it to all children in full time education.

Sir, mention has been made of the siting of our new Senior School or Secondary School as some people call it. As you will all be aware there is a Committee looking at this and we will make final recommendations, I hope, sometime in the fairly near future to Executive Council. I must admit, and I haven't been able to make my views known to Executive Council, certainly the suggestion made by the honourable Member from Camp, Mr Blake, that Members responsible for various Departments could actually address Executive Council, I hope it comes in fairly soon, I would love to be able to say what my views are on the siting of the new Senior School.

One point I would make: I believe if it is to be fitted into what is the football area and to have a decent football and sporting complex in that area, I believe it is essential that we need what is now the Triangle. But if Executive Council Members wish to see one, two or even three horses on that area instead, so be it.

There has been talk about radio and TV. I have had similar doubts to those of the Honourable Member from Camp, Mr Lee, that, I thought of it earlier when we had whatever it is 12/15 hours of broadcasting, a lot of it to me - I was going to use the word rubbish - is certainly of little interest to me and it worried me that people who used to spend a lot of time listening to news, current affairs, etc, from the World Service, no longer do so, and what I used to believe was the well informed Falkland Islander could end up being well informed on what is top of the pops or whatever, and that is as far as it goes. So I hope TV doesn't make people even more expert on top of the pops or whatever. But I would make a plea that in the morning we could at least have one decent news broadcast. Up until very recently at 8 o'clock in the morning we used to have BBC World Service: we now have Radio 2 which I suppose is better than Radio 1 but not much better, so a plea to whoever supplies it, I think it is SSVC at that time of the morning, I can pick up the BBC using my indoor aerial on my ordinary receiver, I would hope there are some better aerials at SSVC.

I'll cut this short and go on to one last thing. I am pleased to see that FIDC have got, I think, a quarter of a million pounds for training, that is combined with I think it is £120,000 currently supplied by ODA. This will hopefully more than fill our training needs. My only slight regret is that listening to the news the other day when this was announced and it was said that formal discussion had been taking place with the relevant Government Departments, obviously that was broadcast before the actual discussions had taken place because I believe at the moment neither the Training Committee nor the Chief Education Officer has actually been in any discussion with FIDC.

But, I must admit I appreciate the amount of training that is taking place. But going on from that, the comments made by the Honourable Mr Blake regarding training, regarding the waste of training, what people do after their education or whether that ends at 'O' levels, GCSE or whatever it is now, 'A' Levels, university of whatever, because I think there is still considerable waste even later on. I remember earlier this year I

was in New Zealand and when I came back I was asked by Patrick Watts in an interview what I had learnt. He was really referring to fishing but what I said was that what I learnt most there was that we lost a generation of Islanders; we lost a generation of Islanders because 30 years ago partly through the Colonial system they didn't get the jobs, higher jobs that were available here and the education wasn't there and even when it was the chances are that they wouldn't get them and even if they could get the jobs the pay would be abysmally low. I don't want to lose another generation but I believe that at the moment even if that training, whatever it is, takes place, an Islander who gets a job here, and they can get the jobs here, the pay is so low that apart from a few dedicated ones they are not interested.

I know teachers at school at the moment suggest to children they go on, they take further education, they come back as whatever, and the children laugh at them and say why bother because the pay is not worth it. Now I would hope that - I don't like using the word professional - but the pay for our professional people, our management, this is Falkland Islanders, it makes it worthwhile for them to train that there isn't this great disparity between locals and imported. I recognise that there has to be something to move people, to bring them out here and therefore you have to pay extra for rehousing, etc, etc. I am just talking about basic salaries. It was mentioned earlier on, not here somewhere else, that our highest paid civil servant, the Financial Secretary, you can earn more if you go and work in the rock quarry than he is getting. Now I have heard blame apportioned because of this and I would say this, the last thing I'll say today, it may be that the Administration can recommend something but if we Councillors believe that pay should be much higher then the final decision making rests in our hands, the people out there who blame the Administration are, in the final analysis, wrong. The people they must blame are the people they elect because the power is now in our hands.

Sir, I support the Motion.

**The Honourable E M Goss MBE**

Your Excellency, Honourable Members. I rise to support the Motion that this House stands adjourned. I am not going to grind over the ground already covered, very valuably, by my colleagues, but I will take this opportunity to thank David Taylor for all his hard work and, although he is not going to get another perhaps Legislative Council opportunity for us to thank him, I do hope for the next three months after he has had a brief break over Christmas he grinds on at the same sort of pace.

I noticed after lunch you got a little bit lost on the oval race track and got the jockeys in the wrong places but in a week's time or so, thirteen days or so, you will be able to perhaps get a little more practice in at that and with that it is too late in the day for me to carry on so I'll sit down.

Thank you.

## The Honourable T S Betts

Your Excellency, Honourable Members. I rise too to support the Motion for Adjournment. I hope I am not going to sound too patronising in that most of my debate will be on congratulating people and thanking people. And I make no apologies to anyone in first of all mentioning the Honourable Financial Secretary, Mr Harold Rowlands CBE. Many congratulations Harold, it has been thoroughly deserved and thank you for all your efforts over the years.

I would also like to thank the Attorney General and his staff for all the efforts they have been putting in over the months, we have a nice little pile of paper here which he keeps firing into the Printing Office and they duly print it for us to read and deliberate on.

It is quite refreshing to not hear any complaints about the department that I represent, the Public Works Department - sorry there is one more speaker to go, perhaps I am counting my chickens too early - but I do feel that today we do get a good productive year out of the Department and I honestly do feel we are now getting value for money out of that Department.

As I mentioned earlier, housing must be high on Government's priority list and people wishing to purchase and build new houses must be given every possible support in the form of soft loans, perhaps even grants, not only of course to people who are building houses in Stanley but also the Camp.

I was thinking over a rather hurried lunch today that if we Councillors had been brave enough to make a decision to spend £0.3 million of the Budget money in Select Committee, people in the Camp would have been receiving their freight absolutely free and maybe that is something we want to think about in the next Budget session. It is one way of giving people in the Camp something out of the vast monies that we now receive.

1989 will be an important year, not least because we have a general election, and I hope that the would-be candidates are already sharpening up their speeches ready for voting day. I remember the Honourable L G Blake mentioning giving support to Christ Church Cathedral in the previous session and, sadly, I don't think we have given it much thought. I urge Councillors to be generous and consider making a capital donation to the Church to help out in its repair and renovation.

I would also like to extend thanks to the Fisheries Department and the people who have been involved in the fisheries patrols. That's the Masters and crews of "Desire" and "Right" and the aircrews of the Dornier. I would like to apologise to the people who voted for me for being away so much this year. But I guess in this day and age when a Falkland Islander decides to go and make a living for himself then you have to get out and earn that living for yourself because nobdy will give it to you.

I must thank the girls in the telephone exchange for working in their usual pleasant and professional manner with some antiquated equipment. There were comments made in this House today about the lack of microphones, and I think we should consider more the Broadcasting Officer and his staff and the equipment they are

expected to work with. He probably had to beg steal and borrow most of these mikes we have today.

You caught me on the hop Sir, when you mentioned that the Honourable Chief Executive will be leaving in March, I too would like to say many thanks to David who has without question been a tremendous help to the community of these Islands.

And last, but no means least, I am going to make mention of just two people: that's Canon Murphy and Mr Mike Rendell, for sitting in the House all day today and listening to our deliberations.

Thank you Sir.

#### **The Honourable Mrs C W Teggart**

Your Excellency, Honourable Members. In rising to support the Motion for Adjournment I have very few comments to make.

It has now been just over a year since I was elected to Legislative Council and I have always felt that I was here under false pretences because it had been so long at that time since the Electoral Register had been updated and that I knew of over 50 people who would like to have voted on that occasion and were unable to do so. So I particularly welcome the Electoral Bill that has been passed here today. I particularly welcome the fact that it will be updated each year in May and I feel that in this age of computers and word processors that this is going to be a comparatively easy task and I really welcome this.

I also welcome the Licensing (Amendment) Bill. I have felt for some time that people who are on the Black List in fact were, as Councillor Keenleyside remarked earlier in the day, virtually confined to house arrest. I felt that in a lot of ways that that could actually lead to more of a problem than they had at the time and I think that for them to be able to go out for a meal, particularly over the Christmas period and at times like that will be of great benefit to them.

In passing the Telecommunications Bill today, I did this with mixed feelings, I certainly know of one particular R/T operator who is dreading giving up her job. Having said that I think that generally all the R/T operators have worked very hard over the years and they haven't always had a very easy task either, particularly of later months when the interference on the sets has been something horrendous. There's many a time when I've called in there and they have been really unable to hear. The exchange girls as well with the number of telephone lines that have been down around town, I think must have found their task particularly exasperating.

I very much welcome the return to Stanley of television. Unlike one of the Honourable Members who spoke who believed that perhaps we would all become top of the pops fans, I think that in some cases it has been particularly nice to actually see some of the things that are happening in other parts of the world, I think that when you see some of the other disasters that are happening world wide you can only appreciate the magnitude of them and I certainly believe that amongst my constituents the documentary

programmes and the news broadcasts are amongst the most popular.

On the subject of television, I don't believe that we should stop there and with the habit we have of commissioning experts to look into things for us I believe that perhaps this House should commission Councillor Keenleyside to look into putting up some repeaters on our mountains for the Camp. I am sure that with his ingenuity at manufacturing these things he could come up with something at a fairly reasonable cost to us.

I very much welcome the proposed expenditure on Stanley roads, it has been a long time coming but I hope that with the building of new surfaces we don't forget to patch up the ones we already have; I am thinking in particular of two places at the moment which are practically impassable in a car, in particular the Speedwell/Infant School corner and two sections of Philomel Hill which are in a pretty disastrous state and I certainly as one driver would very much welcome it if the holes could be refilled on a more regular basis.

Like other Members I would like to thank the Chief Executive for his efforts since he has been here. I am sure that he has got a lot more hard work to do before he leaves these shores once again. In fact I sometimes wish that we could keep him because I have found him extremely kind and helpful during the time he has been here and, had I realised earlier in the day that he had an aversion to Oral Questions in Legislative Council, I am sure that I would be kinder and not put my foot in it by asking him three!

Sir, I beg to support the Motion.

#### **The Honourable the Financial Secretary**

Your Excellency, I will not delay you very long at all. I would like to just mention a few things seeing as it is the last time I will be able to speak at this Table in the Council Chamber here.

Firstly in rising to support the Motion, I bring you good news that on the 5th of January 1989, Mr John Buckland-James, who is my successor, will be arriving in the Falkland Islands. I have had the pleasure of meeting him, I can commend him to this Council, if I can do that with just three to four hours in his company. To me he seems a competent, very nice, and pleasant person, who is looking forward to his contract with the Falkland Islands Government. I am quite certain you will appreciate his services.

I would like to pay tribute to the Clerk of Councils here, over the years he has assisted me in many ways and he is also under great pressure and I would like to thank him. I would also like to thank the Legal Department for the enormous help they have given, probably the Treasury calls on them more than anyone else and I express my thanks as I have done to David Lang today as I have to Michael Gaiger, Rex Browning and Harold Bennett before. It is enormous help they give the Treasury and I greatly benefit from their advice.

I would like to mention too, just briefly, of my visit to Buckingham Palace. I must say that was one of the best days in my life; I really enjoyed it. I remember starting off in the morning,

I was running along Russell Square with a top hat and tails on trying to catch a cab and there didn't seem to be any around so I thought I was going to be late. However, I did get a cab but then it got stuck in a traffic jam and so I told the taxi driver about it and he made a detour and I arrived at the Falkland Islands Government Office in London finding Mr Gordon Jewkes on one corner and Mrs Jewkes on the other very anxious that we would get to Buckingham Palace in time. But as soon as they got in the car I was organised from there on. I thoroughly enjoyed it and Mr Jewkes replied, he said, "you know what you have been missing all this time, I have been organised for a very long time"! I am very grateful to them for having come with me to the Palace.

It was nice going there, in particular as soon as I got in a gentleman dressed in smart military uniform came across to meet me and said, "congratulations Harold". And so I reciprocated. It was a Major who was here in the Forces recently at Lookout Camp. It was a real pleasure to meet him and I thought it was a fine example of military/civilian relations and we discussed it for some time so I felt quite at home then. I was shaking a little bit before the Queen, but it was indeed a great occasion which I will never forget and it was nice to hear the Royal Welsh Guards band playing during the ceremony. I much appreciated the effort of this Council and all the people connected with me getting that award. Thank you very much indeed.

I would like to just mention the future of the Falkland Islands. We are now in a better position financially than we have been for a long time, but I think that while I am more optimistic than I have been for a long time, I believe that we should proceed with cautious optimism. We still don't know how long the fishing stocks are going to last here. We do not want to waste our money, it will have to have a careful controller over it, and the controller as far as I can see is not only the Financial Secretary but the Members of this Council. I think you have all done a good job. In the future I trust your successors, or you if you return to this House, will continue to control those funds. Peter Prynne arrived in the Islands earlier this year to advise on the Budget and I thought his idea of putting £2 million to reserves each year was sensible and that the development expenditure should be limited to £8 million; those figures will have to be adjusted from time to time. This year there has been a terrific demand and I don't know whether we are going to make that at the end of the year but I do believe that we should proceed with cautious optimism.

Thank you to all Honourable Members of the Council for your gratitude that you have paid to me today and also for your tolerance. I very much regret leaving the post from that point of view. There are other reasons why I want to move on and as one member said, I will be following my own desires, but my own desires are going to make me live till I am 200 years of age in order to achieve them. Thank you.

#### **The Honourable the Chief Executive**

Your Excellency, Honourable Members. I begin as ever by giving thanks to all those who have made this most productive sitting of this House possible and to Your Excellency for presiding so helpfully over a session which I think has rivalled your first

Executive Council in November for the length and variety of the subject matter. To the Clerk who has, as always, organised the sitting with great efficiency. To the Secretariat for providing excellent refreshments and to Canon Murphy for blessing us with his prayers and staying on to see the effect of them on us.

I should also like to pay a particular tribute in respect of this session to the work of the Attorney General and the learned Attorney General has, I believe, laboured enormously as is all too evident from the pile of papers in front of me and I have, I think as we all have, great cause to thank him for his industry. There is a tremendous backlog of work to be done in the legal field and he is tackling it I think with enormous success and tremendous precision and efficiency.

I would also like to mention the Government Printer. The Government Printer was mentioned by various Honourable Members in our opening session this morning but I would like to add my own particular thanks to Mr Pettersson and his staff in the Printing Department for the highly efficient way in which they are now operating, helped I hope by the new machinery which was installed shortly after I left in 1987. I understand that the Government Printer and his staff have so far produced a Gazette of well over 400 pages this year. This is not yet a record, I understand the record is held by the Gazette for the year 1949 which ran to 481 pages but doubtless the learned Attorney General will see that that record is broken before he leaves the Islands.

I suppose, Your Excellency, that I am still capable of being astonished by the sheer range of matters which this House has to deal with and as today in a remarkably short space of time. It worries me as Chief Executive that I am called upon to apply my mind to so many different subjects and problems with so little time to reflect on them, and that Honourable Members likewise are called upon to take momentous decisions within the very tight constraints of the timetable that we have for our meetings, with a background of Honourable Members trying to get FIGAS to delay their flight back to the Camp by two hours, or leaving to catch a flight to UK, or whatever, and I do hope Your Excellency that the electorate does appreciate the pressures that all Councillors and officials are constantly under to make things happen.

And I make no apology for returning again to the theme which you mentioned in your opening Address, the theme of the watershed in the conduct of Government. We have, I think, for some time been trying to run a brand new and much larger car with an old engine, willing and efficient but long overworked and now I think conspicuously under-powered. I hope that in helping to assist the man that I hope will succeed me as Chief Executive, in London next week I shall be able to reassure him that we expect in due course to provide him with a somewhat larger supporting staff.

I am most grateful, Your Excellency, for your kind words about myself and for the kind words of Honourable Members. It is nice sometimes to be praised, it is nice to know that one has the support of Members. We value as Officials your friendship and the comradeship of this House, but we also like on occasion to have you say nice things about us because it encourages us in what is sometimes a somewhat thankless task.

I would just like to go on very briefly indeed to talk about the

role of Honourable Members. It seems to me that we are all beginning to think a lot more, with the fisheries zone and all the problems in decision making that it has brought, about the way in which Government works and the role which Honourable Members should play in that Government. I believe the type of proposal which the Honourable Member for Camp, Mr Tim Blake, made today bears extremely careful consideration. I do think, as I said in my earlier speech, that it would be an excellent thing if Honourable Members, whether in this House or in Executive Council, could sometimes be more involved in the things which they have to take decisions about at an earlier stage. I think sometimes they feel that they are simply presented with a set of proposals, a set of options, and not given very much time to think about them and nevertheless pressed to decide rather quickly because that is the way in which life has to go on.

I am also impressed by the extent to which there has been talk of education, of the Senior School in particular, and training and so on and so forth, in this House today. It seems to me that it is critical for the progress and development of Falkland society that we should develop local people to the maximum of their capacities. It worries me, as it worries Honourable Members, that we could end up by having people who leave school early to earn high wages and then in later years, bitter because they see that expatriates are continuing to occupy the senior positions in Falklands society. I entirely acknowledge that the financial motivation is an important one here. I think that Government has a role to play, I think that Government has actually been rather bad at developing people, it has allowed people to come in at a very low wage and gradually to move up the scale to the top, sometimes to the top, sometimes to not so far up, without really thinking about how that person should be trained, how they should be developed. So it seems to me that that is another theme for the future which must be pursued very actively in the context of Prynn and his various recommendations.

Now I have little, I think, to add to the paeans of praise which have already been heaped on the head of my Honourable Friend the Financial Secretary. I have, over the years, enormously valued his support and his friendship and our various humorous asides during the meetings of this House. Doubtless there will be further occasion on which we can talk of him before he finally bows out of Government in the New Year. On this occasion I would simply like to endorse all that you have said about him and to wish him all the very best in his next 150 years.

As has been said, this will, I suppose, be positively my last appearance in this House. The last three and a half months have, quite frankly, been probably as difficult as my first three and a half years. I am grateful that I shall not be attempting to stand for elected office in the election in 1989 because I fear that two nationwide petitions, a strike of postal workers and a sudden and drastic deterioration in the condition of the roads in Stanley during my brief interregnum as Acting Governor will have surely put paid to my chances for ever! Disasters notwithstanding, I am glad I came back, it is still about the most interesting, if not really the most relaxing job that I have done and I hope I have been of some service to you. I have been magnificently supported by the Secretariat staff, by my two Personal Assistants, Maria Strange and Leif Maitland in particular, by all my senior colleagues in FIG, SFL and FIDC, and by yourself, Your Excellency,

and by Mr Jewkes. I have tried to establish some way ahead in some of the problem areas but it will be in the end for you to judge the extent of my success.

Thank you very much.

#### **The Commander British Forces**

Your Excellency, Honourable Members. I made mention in the opening session of this House of the tremendous welcome which I, and my family, have received during the short few months which we have actually been here. I would also like to just reiterate what a tremendous privilege it is to take part in the civil Government of the Falkland Islands.

Now, despite the comparatively small numbers of people who live in the Islands, I find it a remarkably busy and thriving and dynamic community and I am very pleased to have this unique experience really of being part of it for just, alas, twelve months. I fully intend in the time here to visit, if I may, as many parts of the Island and its community as I possibly can. And so hopefully continue the happy and cordial relationship which has been built up in the past by, I think both of our predecessors since the Conflict ended.

Perhaps I could mention how grateful I am too for the helpful manner in which this House has approached the Income Tax and other Bills which have approved for defence contractors here to continue to be exempt from certain taxes and levies. I think this very much does show Her Majesty's Government and the United Kingdom taxpayer that Falkland Islanders are willing to make a contribution to the defence costs here in proportion with keeping the Islands' fortunes and improving financial situation. May I also echo others by paying tribute in this forum to the Attorney General for taking on the onerous task of preparing this legislation to improve the military's position in this Island and indeed for his enormous cooperation in presenting it in such a timely and professional way today.

Now in similar vein, I am sure that the concessions which Councillors have generously agreed for the servicemen to continue to have access to their traditional duty free cigarettes and tobacco allowances will be certainly most welcome throughout the command by all the servicemen and I can certainly express the thanks of all those who will benefit.

Now there are many points where the interest of the military and the civil community coincide but I was particularly pleased to hear Your Excellency's kind remarks earlier today about the King Edward Memorial Hospital. As you know, speaking for the military staff there in particular, they are always pleased to have their efforts recognised and I too would like very much to acknowledge the splendid contribution which is made by both the civil and the military staff to such a hospital which is an undoubted success and a splendid success throughout the community here. Of course, we do have our differing views on the costs of running the hospital here and how that indeed should be shared. But I am glad to see that this problem too is being tackled with good sense in a spirit of cooperation and harmony which characterises our

relations and which will ensure our continuing commitment to the military support of the hospital.

Honourable Members, I have mentioned before, it has been a great privilege and a pleasure to sit alongside you, in my first Legislative session, and to listen to the forthright and the perceptive debate in furthering the course of the Government in the interests of this community. For my part I will strive to carry out my responsibilities for the defence of these Islands and to the best of my abilities throughout, and I look very much forward to working closely with you all during the coming months.

Your Excellency, I support the Motion.

### **The President**

Honourable Members, I will say very few words more, we have had a very long day and I think a very successful one: I hope so. I found this, my first meeting, most informative and instructive and also enjoyable. I think it has certainly given us all food for thought. I apologise for my oversight in seeming to try to omit the non-elected Members at the end. There was no motive behind this, I plead inexperience only. In case they got lost in the consternation, perhaps I could repeat my thanks to the Clerk of the Council for his guidance and the Attorney General for his wisdom and advice. I thank you all for your tolerance, it seems I needed it particularly at the end.

Thank you again.

The meeting is now adjourned.

LEGISLATIVE COUNCIL

QUESTIONS FOR WRITTEN ANSWER SUBMITTED BETWEEN 28TH MAY AND 12TH  
DECEMBER 1988

Question by the Honourable R. M. Lee

Concern has been expressed on the cost of the construction of the Estancia track which we believe was originally estimated to cost around £30,000 per km and is now costing in the region of £120,000 per km. Can you confirm that the above costs are correct and how they are arrived at?

As local contractors are very interested in getting involved in track construction would you agree that it would be a good idea to put sections of the track out to local tender in an effort to reduce costs?

Reply by the Honourable the Chief Executive

Costs to date for the track indicate that the average cost per kilometer for the Estancia Track are £63,000. A distance of 5.63 kilometers has been constructed to 8/8/88 but it is hoped that the rate of progress will increase this season as some sections can at this point be constructed over stone runs which will reduce the amount of fill required and will allow short-hauling of material from adjacent rock runs. The original route suggested by P.W.D. would have enabled a greater distance of the road to be built over stone-runs than is possible on the finally approved route. The valley crossed last season caused delays and increased costs due to the volume of peat which had to be removed, which led to increased fill being required also.

It is not considered that sections of the track could be constructed more cheaply using local contractors. Projections done using hire rates, labour rates and excavation costs provided for projects in Stanley put to tender for contractors indicate that costs would be at least 20% higher, possibly more as the distance from Stanley increased.

(30th August 1988)

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Question by the Honourable A T Blake

The new farmers in Camp are constantly hearing of the PWD machines which are available on a self-help basis for the improvement of Camp tracks. Presently two such groups of machines are in Camp: one at Darwin and one at Port Howard. When is it that these machines are likely to be moved from these locations in order that other farms may take advantage of them? Are there to be further groups of machines to be sent to Camp? Where are they to go and when is this likely to happen?

Reply by the Honourable the Chief Executive

The unit at Darwin is currently working on the 50 kilometre section from Stokes Bridge to Darwin and even after three years'

effort has much to do before this section could be left and another section tackled.

The unit at Port Howard has, over the last three years, made small improvements each year and when last inspected had achieved four to five kilometres out of the settlement towards Green Hill Bridge, but has much to do before it reaches the farm boundary.

It is anticipated that, even allowing for an improvement in past outputs, it will be at least two years before the units are available to move elsewhere. A decision will have to be taken then as to whether similar arrangements should or can be entered into in other places in the Camp, bearing in mind FIG policy and priorities at that time and the willingness of farmers to collaborate in such arrangements.

There is at present no other plant available for deployment in this way.

(11th October 1988)

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Question by the Honourable A T Blake

In recent weeks one new farmer in West Falkland was told he had to obtain planning permission for all new buildings to be erected on his farm. This was queried by a second person of the Director of Public Works and it was confirmed that all new buildings require planning permission. If legislation was changed when was this? If there is now a different interpretation of existing legislation how is this policy going to be implemented? Who in PWD is going to travel the Camp to ensure building regulations are being enforced and what is the estimated lead time to obtain the correct consent for a new chicken house or dog kennel? Are the new farmers going to be given details of the new rules with copies of the updated building regulations in order that they may submit meaningful plans?

**Reply by the Honourable the Chief Executive**

Section 18(1)(ii) of the Public Health Ordinance (Cap 54) was amended by Section 2(b) of the Public Health (Amendment) Ordinance 1985 so that the Board of Health's Building By-Laws applied to the structure of all new buildings in the Falkland Islands. The Building By-Laws had always applied to new buildings in settlements. The Building By-Laws require "building permission" for construction of buildings and this is not the same as "planning permission" which would cover use of land and change of use of land and buildings all of which are outside the operation of the by-laws.

The Building Committee has power to refuse building permission in respect of any building. In practice it does not do so in respect of minor buildings used as out-buildings of another building provided that the requirements of the Building By-Laws and of the Building Regulations of the United Kingdom (which the Building Committee adopted for guidance purposes in 1986) are met in relation to the minor building. In relation to more major developments the Building Committee in consultation with Executive Council sometimes makes use of its discretionary power to withhold

a building permit.

The whole of the present legislation relating to building control is in urgent need of revision. In addition the Government is seeking to recruit an Environmental Health Officer and may additionally need to recruit a Planning and Development Control Officer. Further legislation relating to building, planning and development control is likely to be required. In the context of such legislation it will be possible to give systematic consideration as to what buildings and structures in Stanley and Camp should perhaps be exempted from its provisions.

(20th October 1988)

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**Question by the Honourable C D Keenleyside**

Could Government explain why the Islands are at present without veterinary cover despite previous assurances that this situation would not occur?

**Reply by the Honourable the Chief Executive:**

I apologise to the Honourable Member for the lateness of this reply but it was necessary to obtain the Veterinary Officer's explanations of his absence from the Islands before answering the Question.

As far as general policy is concerned, Executive Council said on 10 March 1987 that "in future it would be sensible to have a locum for the FIG vet when he was on leave". It is thought that they intended this to apply to long annual leave rather than much shorter absences for leave or duty.

As far as Mr Armitage's absence from 1 to 14 October is concerned, he visited the United Kingdom primarily for training in Artificial Insemination techniques and to obtain suitable stocks of semen but sensibly combined this with training in the procedures for the Complement Fixation Test for *Brucella ovis*, which somewhat lengthened his stay. The training which he received is of clear benefit to him in his work in the Islands.

It was decided not to replace him with a locum vet which would have been both very difficult to arrange and very costly.

(26th October 1988)

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**Question by the Honourable A T Blake**

When the Deeds to the properties at Fox Bay West were received by the new owners two weeks ago, all were astounded to discover they had purchased the properties leasehold and not freehold. At no time prior to the delivery of the Deeds had anyone even heard the mention of leasehold. Not in the prospectus, bankers order for mortgage repayment, discussions, interviews, or any other of the hundred and one visits has anything/anyone mentioned the word leasehold. Why is it that these farms were sold leasehold, why were the new owners not informed they were buying the farms leasehold, what is the guarantee that freehold rights will be sold

to the leaseholders in five years, why should the leaseholders have to pay further sums of money for a property all thought were theirs at the price quoted in the original prospectus?

**Reply by the Honourable The Chief Executive**

Since FIG began land subdivision in 1980 its established and widely known policy when selling farms on a subsidised mortgage basis has been to sell them leasehold with the option firmly written into the sale agreement to convert to freehold after a given period. This was originally 25 years but has now been reduced in favour of the farmer to five years. When FIDC managed the sale of Fox Bay West it seems to have been assumed reasonably but, it appears, mistakenly, that this policy was widely known amongst the purchasers. The purchasers should certainly have been advised from the start, as the question implies, although it has to be said that a draft copy of the documentation for the sale was always available for purchasers to see.

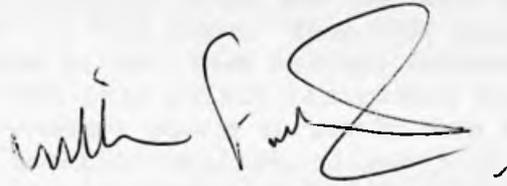
The main purpose of the initial leasehold period is to protect FIG against purchasers who turn out to be incompetent farmers or who wish to make a quick profit on a subsidised sale. FIG has in the past granted permission to sell during the leasehold period provided a very good reason for doing so was given.

As the Honourable Member knows, Executive Council has recently confirmed that the transfer to freehold is at no cost to the farmers concerned.

(6th December 1988)

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CONFIRMED THIS 10TH DAY OF JUNE 1989.

A handwritten signature in black ink, appearing to read 'William F. ...', written in a cursive style.

GOVERNOR