

RECORD OF THE MEETING OF THE
LEGISLATIVE COUNCIL
HELD IN STANLEY ON
31ST MAY - 4TH JUNE 1993

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ADDRESS BY HIS EXCELLENCY THE GOVERNOR
TO THE LEGISLATIVE COUNCIL ON 31st MAY 1993

Honourable Members, this is my first budget LegCo and I look forward to it. It gives me as Governor and President of Legislative Council the chance to deliver a formal review of the past year's work by the Administration and to discuss with Councillors and official members the direction in which we are going.

Before I come to the departmental reports may I make some general comments. My arrival last August nearly coincided with the start of the Falklands financial year. It certainly coincided with the first signs that our income from fisheries would not be as healthy as in previous years. Our financial problems dominated the last meeting of LegCo in November when in the space of one week our traditional jigging vessels seemed to desert us and we found ourselves looking at a very large hole in our pocket.

The financial situation seems to have over shadowed the year since then. In the end we have come out far better than I at least feared. Rather than a deficit of, say, £10 million we in fact have a small surplus of around £6 million. The reserves have not been touched and interest on our reserves has provided the second largest source of funds to the state budget in a difficult year.

How have we achieved this turn around? In a year when our fishing revenue has effectively fallen by £7 million, how have we managed to still show a surplus of over £6 million?

In part, we have come through because of the severe cut backs which were imposed, especially on the Government's capital programme but also on running costs of Government which largely means on its employees. The Administration has had to take the measures which were open to it. Through administrative action we could cut overtime and make various changes to working methods. We could not increase the tax burden to share the misery or reduce the salaries of established civil servants - these are measures which can only be taken by Government, by Legislative Council. The measures we took were painful, but they certainly achieved their objective. However, the vital factor was completely beyond our control. This year the illex squid have been exactly where we wanted them: off the high seas and in our zone. And we were able to exploit this good fortune because of the agreement negotiated on 23 December whereby the Argentine Government restricted the number of licences issued to Oriental jiggers in their zone to 45. This agreement obliged jiggers which could find no fish on the high seas - principally the Taiwanese - to turn to Falklands waters rather than to Argentine waters. The result as we remember in February and March was the dramatic arrival in Stanley Harbour of dozens of jiggers. By April it was clear that the shadow of a budgetary deficit had passed away.

I set this out because as far as I can see we could face similar problems this year. If we cannot coordinate the fishing effort for straddling stocks - principally illex - in the South Atlantic we shall face another financial shortfall without any guarantee of a happy outcome. We shall have the same uncertainty hanging over us until the season begins in March. Only then shall we know whether we shall see a surplus or a loss on the financial year.

It is to avoid this sort of uncertainty, to conserve the illex stock and to ensure that we in the Falkland Islands obtain the maximum sustainable benefit from it that talks will start in the sixth meeting of the South Atlantic Fisheries Commission in London in June. As before our Director of Fisheries, John Barton, and our advisers from Imperial College will be key members of the British delegation.

In the meantime the Financial Secretary has designed a commendably cautious budget, which includes a modest capital programme, aimed to maximise the benefits to the Islands and minimise expenditure abroad.

I shall turn now to the reports from individual departments.

TREASURY : THE HONOURABLE DEREK HOWATT

The revised estimate of Government revenue for 1992/93 is £39.7 million. This shows a drop of £4.4 million from the previous financial year. The main contributing factor to this decrease is a reduction in fisheries revenue of approximately £7 million. This decrease was partly offset by increases in investment income and capital with the sale of the Dornier aircraft and receipt of EEC Stabex monies.

The revised estimate of Government expenditure for 1992/93 is £33.4 million. This shows a decrease of £½ million from 1991/92. This decrease can be attributed to a reduction in operating expenditure over the previous year of £1.2 million partly offset by a small increase in capital expenditure.

After taking into account proposed transfer to pension funds of £5.5 million the estimated surplus for the 1992/93 financial year is £800,000. As a result the general reserves at 30 June 1993 are estimated to reach £50 million which represents 32 months of operating expenditure or 22 months of total expenditure at the 1993/94 level.

The 1993/94 Financial Year:

Projections of operating revenue total £28.5 million for the 1993/94 financial year. £15.4 million or 54% of this total is fishery revenue. This shows a decrease of £4.5 million from the revised fisheries revenue against 1992/93. Through the imposition of budget targets operating expenditure is estimated at £18.8 million, a reduction of £2 million over revised operating expenditure for 1992/93. Capital revenue and expenditure is estimated at £2.4 million and £8 million respectively. The 1993/94 capital programme shows a decrease of £4.5 million over the revised 1992/93 programme.

After taking into account proposed fund transfers of £3 million the overview for 1993/94 shows a budget surplus of £1.1 million.

Treasury Department

During the past year there have been no staff changes and this continuity of employment has contributed to the effective operation of the Treasury function of government. Mr Richard Wagner, the Deputy Financial Secretary, continues to play a key role and work in connection with the recent Budget Review absorbed a significant amount of Treasury time and effort. Lack of office space, particularly in the Income Tax Office, continues to be a problem, but the staff have not allowed the less than ideal working conditions to affect the performance of their public duties.

The review of the Old Age Pensions scheme has slipped behind schedule and it is planned that this should be resumed shortly. It is intended that a review of the government service pension scheme will take place during 1993/94.

The tax reform exercise is taking longer than anticipated due to the complex issues involved. After a series of meetings held recently by the Tax Review Committee, attended by our overseas tax agent, there is every confidence that the redrafting of the Income Tax Ordinance will be completed during the course of the 1993/94 financial year.

During this financial year the staff at the Central Store, under the capable management of Supplies Officer, Mr Alan Jones, have catalogued the Megabid Construction Stores with about 100 containers having been sorted and stored. The major event for 1993/94 will be the move to the new Central Store at Gordon Lines. The government stores have been at the present site for more than a century and the move to new premises marks the end of a 5 year plan to modernise the government purchase and supply system.

THE SECRETARIAT: CHIEF EXECUTIVE, MR RONNIE SAMPSON: GOVERNMENT SECRETARY, MR PETER KING

The Secretariat has had another busy year. The staffing structure strengthened at the start of

the year by promoting Mr Peter King to Government Secretary, Mrs Kathleen Clarke to Senior Assistant Secretary, and Mrs Eileen Davies to Establishments Secretary supported by a Senior Clerk, Mrs Linda Bonner.

In addition to other commitments to government activities, including the Heritage Year visits, the Chief Executive headed a delegation from the Falklands to the Canadian Provinces in October 1992 accompanied by the Economic Adviser, Mr Richard Wagner and Councillors Peck and Kilmartin. They undertook a series of business meetings discussions chiefly on offshore hydrocarbon developments. Following the visit, liaison with the Principal of the socio-economic consultants Community Resource Services Ltd has resulted in Mr Mark Shrimpton being invited to give a course on the subject of islands and offshore oil; this is planned for July for government officers and the private sector alike.

A further oil related visit took place in April/May 1993 when senior geologists from the British Geological Survey, FIG's oil consultants, Dr's Nigel Fannin and Phil Richards, accompanied by the Chief Executive and Mr Mike Luxton, attended the American Association of Petroleum Geologists conference in New Orleans.

On more routine matters the government Tender Board chaired by Mr Simon Goss, held 34 meetings. Government tenders to the end of May resulted in expenditure of £335,000 and revenue from the sale of assets of £92,000.

The Establishments Section spent a large amount of time computerising staff records and apart from more routine matters, dealt with a large number of appointments, recruitments, promotions and resignations.

The Planning and Building Committee meet every month under the Chairmanship of the Honourable T J Peck to consider applications for planning and building permission and related matters. During 1992 the Committee dealt with 131 applications. Most were approved, often after amendments had been agreed. The Committee aims to improve the standard of new development. It is the only Government Committee that is open to the public and this is the opportunity for all of us to comment on any planning application.

Progress has been made on other projects. For example:-

- The identification of the most important Buildings of Architectural or Historic Interest as seen in the recent exhibition held by the Historic Buildings Committee;
- A survey of Surplus Crown Land to identify land in Government ownership with development potential for housing and other uses. There will be the opportunity to tender for several new housing plots, in the near future;
- An improvement scheme for Eliza Crescent has begun to provide a reasonable garden area for each private house;
- Research and analysis of information concerning the need for new housing.

The results of this and other work will be brought together in a Stanley Town Plan. A draft plan will be the subject of consultation and the views of the public will be considered before it is approved by Government.

An important visitor to the Islands in January 1993 was Gibraltar's Chief Minister, the Honourable Joe Bossano, accompanied by his wife Rose, who were guests of the Falkland Islands Government. Certain parallels between Gibraltar and the Falklands have been the subject of much interest for some time and we were very pleased to strengthen links with the territory. Useful discussions were held at all levels.

The Islands' £4.2 million pounds fuel depot was opened on 29 March 1993. This represents a major investment by Stanley Services Limited, whose shareholders are FIG, with 45% of the equity, Hogg Robinson and S & J D Robertson. The depot has two large tanks, each with a capacity of 2,500 cubic metres. We also enjoy a new SSL service station on the Stanley

Airport road. The depot was funded largely by a loan from the European Investment Bank, whose representatives visited the Islands in July 1992.

The Housing Committee chaired by Councillor Peck, held eight meetings considering 121 applications for government quarters and made 80 allocations. The Secretariat co-ordinated the sale of 17 houses to sitting tenants during the year. A further 3 properties were sold by public tender.

FISHERIES DEPARTMENT: MR JOHN BARTON

In the fishery the major issue of the last year has been the move by Argentina to open her EEZ, which has attracted some fishermen away from the Falklands creating a number of financial difficulties. Ultimately, the agreement reached between Britain and Argentina on 23 December 1992 after the fifth South Atlantic Fisheries Commission meeting, together with modifications to FIG policy and licence conditions, resulted in a fairly full recovery being achieved on both licences and revenue. Fishing licence revenue for 1992/93 is forecast to be around £20 million.

Fishery Protection vessels and aircraft had a busy second season of 1992, with five successful prosecutions for illegal fishing which resulted in excess of £200,000 being imposed in fines. The period of high activity has continued through into the 1993 high season with almost 200 fishing vessels being licensed.

The scientific section of the Department has been strengthened by the recruitment of a data analyst. Monitoring of all commercially important species has continued throughout the observer and log book programmes as have research programmes. Research on loligo has been particularly timely in view of the extremely poor start to the first loligo season of 1993. The computing capability of the department has been upgraded by the introduction of a new network system.

The South Atlantic Fisheries Commission, involving Britain, Argentina and the Falklands, has continued to meet at regular intervals. Significant achievements have included the agreement already referred to whereby Argentina agreed to limit access to her EEZ to 45 vessels. Additionally, scientists from both delegations, have met and exchanged views in Mar del Plata, there has been a joint research cruise and agreement on improved data exchange, although the latter has yet to become fully effective in practice.

Unfortunately, there have once again been incidents which highlight the hazards involved in fishing. These include the tragic loss of the unlicensed vessel "Serrekunda 3" and the fire on board the "Puenete Pereiras Dos".

Tenders have been invited to privatise the operation of FIPASS and the provision of a harbour launch service. In the case of FIPASS it is hoped that the new arrangements will reduce the financial loss currently incurred on this facility.

CUSTOMS DEPARTMENT: MR ROBERT KING

The Customs Department has again had a busy year, with a marked increase in shipping activity over the 1992 winter period, which helped offset the slow start to the principal 1993 squid season.

Work continues on the collection and collation of import statistics and during the past year, records of imports for the years 1990 and 1991 were published.

During the period 1 July 1992 to 30 April 1993, some 1099 vessels were recorded as entering Falkland waters, principally to transship fish and squid, a decrease of 97 vessel movements when compared with the 1991/92 period. The decrease in overall movements was largely a result of the licensing difficulties initially experienced with the 1993 main season. Revenue collected this financial year to date is: Import Duty: £345,000 slightly below the previous year; Customs Services and Harbour Dues £557,000 which is about 20% up on the previous year.

On 1 March, 1993, the Customs and Immigration Departments were amalgamated, with the responsibilities of Principal Immigration Officer being transferred from the Chief Police Officer to the Government Secretary. Under the combined department all customs and immigration duties are shared equally by both former customs officers and former immigration officers, improving the availability of staff for either duties. Savings in departmental operating costs have also been achieved.

IMMIGRATION DEPARTMENT

During the period 1 July 1992 to 31 May 1993, the department has dealt with 3410 persons arriving at the Falkland Islands by air and 557 by sea. These were also 3692 departures by air and 448 by sea. 53 different nationalities were involved.

The department also dealt with 5813 tourists travelling on 27 cruise vessels.

An Immigration Policy Advisory Committee has recently been formed to advise Executive Council on future immigration policy.

DEPARTMENT OF AGRICULTURE: MR OWEN SUMMERS

The reduction in Falklands revenues has meant that the Department of Agriculture has gone through a difficult period of uncertainty which eventually ended in a reduction in its budget of 20%. Staff reductions will take place during the next year.

A visit in January by Professor Ian Cunningham to review the research programme resulted in a cut back in the research effort due to financial constraints. Projects nearing their end were terminated at the end of this seasons work: current projects will continue but no new ones will be started for the time being. The main thrust of the research work will continue to make better use of local pasture and investigate the merits of alternative grazing regimes. Miss Jennifer Fuller arrived in the Falklands from Queens University, Belfast to work with the department on the problems of the Tussac insect and grass grub problems.

Extension activities have proceeded along the usual lines with many advisory and grant visits being made during the year. We have had two visitors from the European Community this year to view EC funded projects. In March M. Roland-Gosselin visited to discuss, with Falkland Island Government officials how to use the STABEX funds, which compensate us for poor wool revenues. Projects discussed have included an EC standard abattoir, camp jetties and alternative energy schemes. The second visitor was Mr Ryken Folkertsma who came to view the EDF programme and to report on the use of supplies granted under this scheme: his three week visit let him see at first hand the problems facing the farming industry and the usefulness of the EDF contribution.

Agricultural Training has as one would expect dropped off over the last year. However, coaching on book keeping and first aid courses remain in high demand. Two trainees, Mr Ricky McCormick and Miss Suzanne Clarke, successfully completed the twelve month farm training scheme for school leavers. Both achieved a good result and were highly regarded by their host farmers.

The Brucella Ovis eradication campaign has again occupied the Vet and laboratory technicians during the summer. Approximately 9000 rams were successfully tested with negative results. Providing a sample of these tests comes back from New Zealand with the same results, we will be in a position to declare the Falklands free of Brucella Ovis.

Hydatid disease is of more concern as sheep offal inspected indicate that the disease may have increased over the past two years. A programme of testing dogs has been initiated in collaboration with Melbourne University, which should enable us to find why the dog dosing may not be giving 100% protection and suggest a strategy to overcome the problem.

The National Stud Flock has performed well on Sea Lion under the supervision of Mr and Mrs McBain. The first lambing was a little disappointing but the flock's average wool weight was some 30% above the national average with the quality of wool averaging around 23/24

micron. It is expected that the first progeny will be available for sale to farmers later this year.

ROYAL FALKLAND ISLANDS POLICE FORCE: SUPERINTENDENT KEN GREENLAND

Following the 37% reduction in the establishment of constables last winter, it has become clear that the level of effort which the police service had been striving to provide can no longer be sustained, and reductions in the service offered by the police have been unavoidable. The crime prevention programme and the schools liaison programme were early casualties of the cuts and the Police Advisory Committee will try to identify means of providing a reduced cover in such a way as to minimise the overall effect upon the public. So long as crime figures remain more or less static, the effect of the reduced service will be felt in less preventive patrolling and emergency responses, with the bulk of police effort being directed towards criminal investigations. Should crime figures increase as a result of there being fewer preventive initiatives, the situation could deteriorate. Efforts to improve on 1991's disappointing detection rate have led to a clear-up rate, of verified crime, of 64% for the calendar year of 1992, a much more accurate reflection of the force's technical capabilities. It is unfortunate that these results could only be achieved at the expense of patrol activity in Stanley. Patrols to the settlements, of course, were already a thing of the past.

Police assistance to the public in connection with non-criminal matters has continued to be at a very high level, with nearly 1000 incidents recorded ranging from missing persons and domestic disputes to stray animals and stranded motorists.

The retention of officers has been outstanding since the implementation of some of the Hamshaw Report recommendations. Although some officers, even after 2 years service, have still not received their formal training, the levels of experience within the force as a whole are approaching levels not enjoyed since 1987. This period of stability, although characterised by considerable overstretch, has been very good indeed for police and public alike, and bodes well for the future. Despite the good retention record, there have been one or two moves, noticeably that of PC Darren Clifton.

Unlike the regular element of the force, the Police Reserve has never been fully recruited, but it has come to be an indispensable element of the service. A cadre of exceptionally committed reserve officers has not only enabled extra resources to be deployed at times of greatest need, but also provides a source of experienced manpower whenever vacancies do occur in the regular element of the service. Police reservists, along with the defence force and fire service volunteers give selflessly of their time, and I would like to place my appreciation on record.

FALKLAND ISLANDS FIRE AND RESCUE SERVICE: MR MARVIN CLARKE

Over the past year some 173 calls were received by the Service ranging from minor incidents such as false alarms to major incidents such as ship fires.

The longest and the most difficult incident to deal with was the Spanish trawler Puente Pereiras Dos which caught fire some miles out to sea. After many hours and extreme effort of non-stop fire fighting the vessel was considered safe to bring into port and anchored.

After some 44 years service, December saw the retirement of Mr Rudy Clarke from active service. We thank him for his long and committed contribution to the Fire and Rescue Service.

The Fire and Rescue Service would cease to function if it were not for the dedicated commitment of those members of the community who voluntarily give of their time to become retained firemen. I congratulate their public spirit, their enthusiasm and not least their courage.

LEGISLATURE DEPARTMENT: MR ANTON LIVERMORE

1992 was a relatively busy year which saw 3 meetings of the Legislative Council with 12 Bills being passed. Executive Council met on 17 occasions and considered 276 papers. 30 pieces of subsidiary legislation were made during that period.

Councillors were present at the British Political Party Conferences in September and October, at the CPA Conference in the Bahamas and during the FIG visit to Newfoundland and Nova Scotia.

Dr David Tonkin, the Secretary General of the CPA and Mr Michael Morris, Deputy Speaker of the House of Commons addressed this House during the meeting of Legislative Council held on Falkland Day (14 August).

Dr Liam Fox and Mr David Young of the UK Branch of the CPA visited the Islands in November as invited guests of the Falklands Branch.

In a few months time, our own General Election will be upon us. Also coming up are the Party Political Conferences in Britain and the 39th CPA Conference in Cyprus. The Falklands Branch have applied for a change in Region within the CPA to that of the British Isles and Mediterranean from the Caribbean, Americas and Atlantic Region. The application will be considered and decided upon at the Cyprus Conference.

FALKLAND ISLANDS DEFENCE FORCE: MAJOR BRIAN SUMMERS

The Falkland Islands Defence Force took delivery of their new weapons in early December. The Steyr is proving to be a very easy weapon to handle. Attendance at drill nights is much improved.

The unestablished post of Administration Sergeant has now been filled, reducing the work load of both the Officer Commanding and the Permanent Staff Instructor.

The formation of the Reserve Force is progressing. When fully established the Reserves will greatly enhance the contribution the Defence Force can make to the defence of the Islands.

New dress uniforms have been received for the women, they looked very smart when worn for the first time at this years Queen's Birthday Parade.

The Force has once again displayed its dedication and professionalism by beating the regular forces, stationed at Mount Pleasant, in the recent March and Shoot competition. I offer the team my personal congratulations and my thanks to all the men and women of the Force for their loyal service.

CIVIL AVIATION: MR GERALD CHEEK

Stanley Airport

Further improvements at the airport included the resurfacing of the car park, the widening of the taxi-way providing access for the aircraft between the hangars and apron, a new flag pole and a communications mast beside the control tower. The mast should improve radio communication with aircraft when the aerials have been installed. Finally the new garage built on to the terminal building is now in use.

Aircraft/Passenger Movements

International movements with Punta Arenas in Chile have continued via the Aerovias DAP airline throughout the year. DAP aircraft landed at Stanley a total of 50 times, the same number of times as in the previous year but passenger numbers were down from 768 to 703. It was also pleasing to see one of the British Antarctic Survey's Twin Otter aircraft at Stanley Airport during the year. Although the BAS formerly Falkland Islands Dependency Surveys aircraft, have always carried Falkland Islands registration this is the first time one of their

planes has ever landed in the Islands. While on the subject of BAS aircraft their Dash 7, which is a four engined aircraft may well be flying between Stanley Airport and Rothera in the coming summer.

Camp Airstrips

Port Howard again tops the list of the settlements most visited by FIGAS during the previous 12 months, with 354 landings, followed by Fox Bay East and Pebble Island both with 310 and Sea Lion Island with 279. But the most significant change in numbers of landings away from Stanley occurred at MPA where FIGAS aircraft landed on no less than 588 occasions.

Work continues on airstrip improvement and a new clay airstrip is currently under construction at Fox Bay approximately half way between the two settlements and close to the new road linking them. If this aerodrome, which will have two runways, one north/ south and the other east/west, proves to be successful throughout the year it is planned to close the two existing airstrips.

Plans are also in hand for the Royal Engineers Field Squadron to construct a clay strip at Sea Lion Island beside the tourist lodge and if this project is successful it should provide a year round capability for landing. (Currently the grass airstrip has to be closed during the winter months as the surface becomes too soft.)

Civil Aviation Authority Visit

Mr Lew Wilcox from the International Services Department of the CAA visited the Islands for a week during March of this year to examine the Civil Aviation Department and inspect FIGAS flight operations.

Although his report has not yet been received, his verbal comments following his inspection were very favourable.

FALKLAND ISLANDS DEVELOPMENT CORPORATION: MR MIKE SUMMERS

The level of expenditure by the Development Corporation has been the lowest for many years; this can be no surprise given the economic uncertainties which first became apparent in November 1992, only four months into the year's budget; both private sector investors and FIDC management adopted a cautious approach to all project proposals. Economic downturn however produces a different set of challenges and priorities and much staff time was dedicated to matters relating to budget reductions (both for FIG and the whole private sector) and to ways in which employment could be maintained. Many projects nevertheless continued.

The major single item of expenditure during the year was the purchase and refurbishment of the new coastal vessel, MV "Tamar F.I.". The project from identification and purchase of the vessel, through re-design, modification, refurbishment and delivery to Stanley was carried out well within budget and we would like to acknowledge the excellent work of Byron Marine in assisting FIDC with the acquisition contract. Since her arrival in January the "Tamar" has visited all camp ports for the collection of wool and has undertaken two voyages to Punta Arenas to bring back bulk fuel for Stanley Services. The passenger accommodation on board has proved popular both on trips around the Islands and on those to Punta Arenas. Inter-island transportation of sheep, cattle and horses has been successfully undertaken using the stern ramp and specially designed livestock pens.

A report on all camp jetties and port facilities was recently produced by Captain Stephen Clifton of Byron Marine Ltd. at FIDC's request. This has been distributed to the owners and users of all camp ports. The potential for damage to expensive equipment or for accidents involving ships crew and onshore workers must be eliminated wherever possible; in many cases this involves relatively minor work. In others we expect that Stabex monies will become available.

The Falkland Mill continues to produce its attractive range of hand and machine-knitting yarns. A reduction in local demand for Mill sweaters has been offset by increased demand for

yarn and the production of Mill sweaters is now being undertaken on a piece-work basis by outworkers enabling another employee to be released to the spinning department. The local Mill by itself is not large enough to support a profitable Mill operation, but the creation of an overseas market makes this possible. Marketing through the Mill's UK distributor has continued during the year and orders are in hand for delivery later this year. The financial performance of Falkland Mill was reviewed by ExCo in early 1993. It was noted that whilst the Mill itself was unlikely ever to make a full return on funds invested, the support it now provides to a large number of smaller local knitting and weaving businesses measured by gross revenue, contribution to the Islands economy and employment made it worthy of support. ExCo recommended the continuation of the subsidy payment for a further year.

The benefits of assisting local fishing ventures became apparent this year when for some weeks the Mermaid Fisheries joint venture, which had caused some excitement early on, had the only Far East vessels guaranteeing to fish this season for Illex. The objective of obtaining longer term involvement through local companies has been well demonstrated by Mermaid, and is a route we should continue to follow in each of our fisheries.

In early March 1993 Mr Clarence Hubbard from South wind Manufacturing Ltd of Nova Scotia visited the Islands to undertake a technical feasibility study for a squid and fish drying plant. The investigations into potential markets and confirmation of investment costs continue, and a decision on how best to proceed will be made when this process is complete. The employment and value added prospects from this plant are excellent.

Work on the development of Lookout Industrial Estate continues. During the summer all packaway and nissen buildings were painted and landscaping work has commenced. Ten short-term and five long-term leases have been signed. Demand for spaces on the container park was so high that a second park has been created. The installation of water, electricity and sewage services, planned to take place during the current financial year, was a victim of budget reductions but sufficient funds are being made available to enable certain essential works, particularly sewage disposal, to be carried out. The Power and Electrical Department has cooperated in making 'temporary' electrical connections and telecommunications have been installed by Cable and Wireless. The Estate is proving to be a major contributor to the development of private sector activity.

The newly formed Energy Advisory Committee has produced an Energy Policy for the Islands, drawn up against a background of escalating electricity usage relying entirely on imported fossil fuels, and high levels of conversion to fuel oil from peat for heating and cooking. The objectives of our energy policy are to minimise our reliance upon imported fossil fuels, and to reduce operating costs through use of alternative energy sources, such as wind. The Energy Policy was accepted by ExCo and is available for inspection in the Public Library.

After reviewing FIG's resources in London, and with a view to achieving closer harmony in promotional activities, the Falkland Islands Tourist Board will no longer run a separate there. Tourism promotions will continue to be undertaken from the Falkland Islands Government Office, but combined with FIG's other publicity and promotions activities under the supervision of Miss Sukey Cameron and Mr Graham Bound. All the staff in FIGO are able to deal with general tourism enquiries and matters relating to travel to the Falkland Islands. Funding programmes in support of tourism from Europe to the Falklands are now controlled by the FITB office in Stanley in consultation with FIGO.

The 1992/93 tourist season itself was adequate in the face of continued recession in Europe and the USA. Over 5,800 cruise ship passengers visited the Islands this year, with ten vessels making a total of 31 visits including five passenger exchanges. A total of 22 land based tour groups also visited the Islands and together with individual visitors made a total of about 160 visitors, similar to last season. Locally generated business continues to grow very satisfactorily; in particular we have been able to provide over 1,300 holidays this season for people from Mount Pleasant. A further development during the year was the completion of the Fishing Camp on the San Carlos River which has already proved popular with visitors. A very successful tour guides training course was held in September and resulted in the 10 participants all reaching the required standard to become FITB Accredited Guides.

All in all the year has been a very successful one for the Corporation; the management and staff look forward to another busy and interesting year.

EDUCATION DEPARTMENT: MRS PHYL RENDELL

The Falkland Islands Community School

The official opening of the new school took place on 17 August 1992 with Lord Shackleton appearing on a satellite television link from Britain while his daughter, Mrs Bergal, unveiled the plaque on his behalf. The sports facilities came into use on 7 September 1992 and the school itself in mid September.

Needless to say the completion of the Community School dominated the Education Department for the previous twelve months. The move from the old Senior School to the new building under the leadership of head teacher, Dr David Burgess, went very much to plan. The co-operation of other departments during the move was greatly appreciated; particularly that of the Public Works Department in moving the public library books and school equipment. The team effort of all the staff throughout the transfer was a major contribution to the success of the move.

Despite the upheavals of the year, the GCSE results were very good, with eight students achieving sufficient qualifications to go on to study in Great Britain.

February of this year saw the arrival of Mrs Judith Crowe, the newly appointed headteacher for the Community School. Home Economics has been introduced again to the curriculum and the Community Education programme has expanded offering more courses for adults and apprentices.

Primary Education

Primary Education has also made excellent progress under the leadership of Mrs Jean Smith in the Infant/Junior School and Mr Richard Fogerty in Camp Education. Committed staff in both departments have worked very hard to harness the most relevant parts of the British National Curriculum. Subjects reviewed so far are English, Mathematics, Science and History.

Stanley School Hostel

Mrs Lorraine McGill was promoted to Head of Hostel in September last year. With the number of boarders attending the hostel declining to around 30 from 50 a few years ago, a review of Stanley School Hostel was conducted by the Board of Education. In their responses, parents in camp unanimously stated that they wanted hostel provision to continue in its present form. So the two dormitory blocks have been kept open but cuts have been made to reduce costs and staff have coped very well with these changes.

Higher Education

During the year, five students began A level studies at Peter Symonds' college, joining three students in their second year. Thirteen Falkland Island undergraduates are following courses ranging from marine biology to geology, all at British Universities. One postgraduate student embarked on PhD studies in 1992. In-service training for Government staff included two officers studying for degrees in teaching and engineering while eight other Islanders attended colleges to gain City and Guilds and other vocational qualifications.

The Industrial Training Committee, worked steadily throughout the year to raise standards of training in the trades whilst the Scholarships and Training Awards Committee tackled some difficult decisions in recommending people for training given F.I.G.'s recent budgetary restrictions.

The contribution to the Education service by parents and members of the public who serve on Boards and Committees must not go unmentioned. Their involvement enables the education service to relate to the needs and wishes of the community.

The Education Department was inspected by Dr. Ron Wallace in July. This was the first external inspection since 1987. Dr. Wallace, from Hertfordshire Education Authority, reported that quote "the service is sound, that standards are rising, and that the means, personnel and imagination which have carried the service this far can also succeed in taking it on to the next stage."

POST OFFICE: MR JIMMY STEPHENSON

Business within the Post Office appears to be forever increasing, with sales of stamps totalling £111,000 so far this year. Sales of stamps to tourists were notable, particularly on board ships. Sales of coins also benefited from visiting tourists producing an income so far this financial year of almost £4,000: the most popular item being the 1992 mint coin sets. The Post Office boxes opened around town have not been much used but two boxes have remained open. The Post Office has become the main collecting centre for FIGAS freight without too much controversy.

The Post Office were very sad to lose the services of Mrs Fox at Mount Pleasant after nine years. We wish her and her husband all the best in their new life.

PHILATELIC BUREAU

Some slight improvement in sales but the Philatelic Bureau continues to be hit by world wide recession. The hoped for increase in sales due to Falkland Islands Heritage Year did not materialise. Sales benefited locally from tourist vessels throughout the summer.

Increased frequency of issues during Heritage Year caused some controversy locally and internationally, but it remains an open question as to whether sales, and therefore revenue, benefited or not locally. Internationally though the Crown Agents sales probably benefited.

A more aggressive policy in trying to obtain more of a share in world markets has been adopted by Crown Agents with knock on effects not only in stamp sales but in publicity world wide. This can only be to the benefit of the Falklands ultimately.

FALKLAND ISLANDS BROADCASTING STATION: MR PATRICK WATTS

The re-furbishment of FIBS was completed during the year, with the renovation of the old section of the building by PWD. The re-furbished area now provides for considerably better working conditions in all aspects of broadcasting, not least the provision of a News Room, separate working position for the Engineer and a record library which is for the first time independent of the Studio's. It is 35 years since the building was first converted to a Broadcasting Studio and the saving to Government on this recent project has been considerable, mainly through the cost price charges offered by SSVC.

Heritage Year proved to be a busy time for FIBS staff and Assistant Producer Mrs Wendy Teggart and her freelance staff worked particularly hard during the 14th June celebrations. As always, all the major Sporting and Social events in the Falklands calendar were covered whenever possible.

During the year 154 editions of News Magazines were produced, offering in the region of 4,620 minutes of News and Information. This was mainly the work of Staff Members but our ability to employ 'Freelancers' to assist with News production in the absence of full-time staff ensured a regular output of news. However, financial cut-backs which may reduce the employment of 'Freelancers' in future could lead to a reduction in News output.

The close working relationship between FIBS/BFBS and the interest taken in FIBS by former BFBS Manager Mr Roger Woods was most beneficial. Mr Woods is succeeded by Mr Colin McDonald. The provision of married accommodation for the SSVC/FIBS Engineer has ensured that FIBS equipment is regularly checked.

The appointment of Stephanie Hanlon as a Broadcasting Assistant, despite her relative

inexperience in radio, has been most successful.

The interest and expertise displayed by the continuity announcers who receive a basic introduction in the use of the equipment and microphone skills is commendable.

Finally, the stress involved in what is a high pressure job, when deadlines have to be kept and unsocial hours worked is not always appreciated.

FALKLAND ISLANDS GOVERNMENT AIR SERVICE: MR VERNON STEEN

FIGAS continued to provide an on demand service to the 32 airstrips scattered throughout the islands.

Statistics for the year are as follows:-

TOTAL HOURS FLOWN	1911
PASSENGERS CARRIED	7839
FREIGHT AND MAIL	over 69tonnes

Growth in traffic this year has shown an increase of 2% when compared with 1991/92 figures.

The service was reduced to a five day operation on the 1 April and will start a seven day operation again from 1 November. A useful agreement was reached with Stanley Services Ltd. to issue tickets to tourists travelling in the Falklands.

The Fishery Patrol service flew 317 patrols. A total of 4307 ships were observed in the FICZ and FOCZ. Assistance was given during several offshore incidents - of particular mention during the sinking of the Serrekunda 3.

The UK Civil Aviation Authority continue to monitor the operation on behalf of the Director of Civil Aviation, Falkland Islands. A Flight Operations Inspector visited during March. Two separate inspections were carried out by an Engineering Surveyor during the year.

FALKLAND ISLANDS GOVERNMENT OFFICE, LONDON: MISS SUKEY CAMERON

January saw the tenth anniversary of the establishment of FIGO and it is gratifying to look back at the achievements that have been made since then and the expansion that has taken place. The workload of the office has been increased this year with public relations and tourism and there has been one staff change due to the departure of Miss Anna King as Deputy Representative. Mr Graham Bound was appointed in her place. Although no FIG sponsored students have been placed in FIGO this year we have been assisted on the tourism side by Falkland Islander Miss Angela Hurst, who is on a two month placing from her tourism course.

The political contact programme continues successfully. The stand at the Party Conferences was extremely worthwhile and the presence of two Councillors, Edwards and Peck, of great benefit. With fishing and oil matters in the forefront of concern in the last year many briefings have been given including a presentation on hydrocarbons by BGS, to MP's and Lords in March, which attracted a lot of interest. It has not been possible to arrange an FIG sponsored visit of MP's this year. But the CPA visit of 2 MP's in November was very successful.

Four members of Council have visited FIGO this year, along with the Chief Executive, the Attorney General and the Director of Fisheries, to attend a variety of events:

- the Argentine-British Conference in Cambridge, which was seen as a very positive step
- the Party Conferences
- the fishery negotiations
- and the Falkland Islands delegations' visits to Canada and to the American Association

of Petroleum Geologists.

Despite budgetary constraints, recruitment is still keeping the Assistant Secretary busy. The Travel Co-ordinator has booked 2000 passages over the past year.

The Representative attended many special events throughout the year including a Garden Party at Buckingham Palace, the Battle Day commemorations, which were this year attended by His Royal Highness the Duke of York, and the Annual General Meeting of the Falkland Families Association. It was also her sad duty to attend the Funerals of former Governor Sir Edwin Arrowsmith, Major General Alan Mills and Mrs Alison Woolcott.

Arrangements are well underway for this year's Annual Reception which we are hoping will be well supported - despite official guests having to pay for the first time; the tour operators meetings and Island Games exhibition are coming up in July; the Dependent Territories Conference is now planned for November and promises to be a very prestigious event; and the Falkland Islands Government sponsored visit of Members of Parliament is currently scheduled for early December.

PUBLIC WORKS DEPARTMENT: MR BRIAN HILL

The purpose of this department is to maintain the public services and Government assets of the Falkland Islands in as efficient and cost effective manner as possible and to improve these services and assets as directed by legislation.

The Director of Public Works as the Falkland Islands Government's chief adviser on engineering matters has a duty to put forward schemes of improvement and also to assist legislature in the preparation, and if approved, the eventual implementation of such schemes.

To assist in running this large Department there are 6 contract staff, 37 permanent and pensionable staff and 100 hourly paid staff.

On the production side of Public Works last year, the Quarry produced 60,000 tons of crushed rock, the Power Station generated 9 million units of electricity and the Filtration Plant produced 39½ million gallons of treated water, of which 2½ million gallons was sold to shipping.

With its own road building and maintenance labour forces, PWD have pushed the North Camp Road across the Malo River over the Malo Hills to within 2 miles of Teal Inlet, a total of 8 miles of new road. In Stanley Jeremy Moore Avenue and Campbell Drive have been surfaced with tarmac, and Allardyce Street and Fieldhouse Close have been reconstructed and surfaced. The general construction labour groups have completed a further six units of accommodation, refurbished Stanley Cottage, installed new heating systems in the Police Cottages, installed new fuel tanks at the Power Station, re-roofed the Dairy Paddock reservoir, and are well underway to completing the new overhead lines and underground power cables to FIPASS and Pony's Pass Quarry.

Of the major contracts controlled by PWD, Jersey Apartments Block C was completed and occupied, the Town Hall was repainted, several Stanley roads such as Dairy Paddock Road and Reservoir Road have been rebuilt. In camp 9.5 km of road were constructed west of Port Howard which includes the Green Hill Stream crossing, and PSA International finally completed the road from MPA to Darwin.

In addition PWD have been busy carrying out routine but important tasks such as moving cargo for other Departments, keeping Stanley clean and tidy, and keeping Stanley's antiquated drainage system working.

The Public Works Department remains a happy, dedicated team, always seeking to improve its efficiency and relationship with the public, and looks forward to a further year of hard but rewarding work.

THE FALKLAND ISLANDS MUSEUM AND NATIONAL TRUST: MR JOHN SMITH

The first year of the newly established Falkland Islands Museum and National Trust has been extremely successful. Research and input towards Heritage Year occupied much time which proved well worthwhile judging by the highly favourable comments from our many visitors during that year.

The National Trust now ensures that the rapidly changing face of the Falklands can be recorded. It is impossible to save everything but next best is to photograph, draw and map those things which are disappearing.

By the enormous generosity of Mr Nutt Cartmell at Goose Green in donating his house on Pioneer Row - one of the original settlers' cottages - to the Falkland Islands Museum and National Trust it will be possible to restore this house to its 1850's condition containing a permanent display of living conditions in those pioneering days. Funding for the restoration comes from a handsome and totally unexpected bequest by the late Mr Henry Heyburn whose great love of the Falklands will be remembered by many. Another reminder of these times will be the creation of a small park on the site of the town well on Pump Green. On the maritime side, the Great Britain's mizzen mast looks much more attractive now after its annual refurbishment by the Falkland Islands Scout Group and the superb metal descriptive plaque donated by Sir Jack Hayward. On the ceremonial side after some twenty seven Governors we have at last, through the kindness of Governor Fullerton, managed to display a complete Governor's Uniform.

Work continues on upgrading the collection at Britannia House and a computer system has been installed. Other major work has been the construction of large display cabinets in the workshop and natural history section.

A working visit to the United Kingdom last October supported by several locally based business organisations by the Curator resulted in valuable contacts with other museums and a visit to Stoke Gabriel where Captain John Davis was born and lived. Wrecks and Hulks occupy much time as do Historic Buildings and here credit must go to Miss Jane Cameron for her brilliant exhibition on Stanley's buildings held recently. The response and support from the general public was overwhelming - plans are underway for a similar exhibition on Camp buildings.

Progress continues with putting our Archives in proper order. This is a difficult and painstaking task but vital if we are not to lose sight of the past. The present insecure and hazardous storage of the Archives continues to be a cause of anxiety.

As with all organisations having a high public profile, success depends on the efforts of the staff and Trustees all of whom play a very active role. Their dedication is reflected in the very high standards maintained in the many and varied aspects of the work carried out under the umbrella of the Museum and National Trust.

MEDICAL AND DENTAL DEPARTMENT: DR ROGER DIGGLE

The current year has again been another busy one for the staff of the KEMH. There has been a general increase of attendance in all the Clinics held. The Outpatient Department has seen a total of 6119 patients, this is an increase of 255 patients compared to the previous year. The Asthma Clinic continues to be well attended and it is hoped to start a Diabetic Clinic shortly.

A total of 773 patients were admitted to the Ward for treatment. Income from foreign nationals to date in this Financial Year amounts to £240,000.

The Casualty Department has seen a total of 3198 patients, 846 of these being Foreign Nationals. 27 Babies were delivered in the Maternity Unit.

Dr Tim Moore, has taken up his appointment as Deputy Chief Medical Officer, Mrs Jane Cotter has been recruited as a Sister and Mrs Marilyn Hall has joined the Social Welfare

Department as Social Welfare Officer. Miss Debbie Collins has been appointed as Pharmacist replacing Miss Janette Broad. Regrettably Mrs Alison Woolcott and Mrs Alice Etheridge died tragically this year.

During the year we received visits from various specialists who saw 1071 patients. These visits prove to be of great value, with the operations undertaken by the Visiting Specialists there has been a decrease in the amount of patients travelling to the UK for treatment, only 47 patients have travelled this year as opposed to 71 the previous year.

A new Ultrasound Machine has been purchased offering a greatly improved diagnostic service.

The Dental Department continues under a heavy work load, Mr Williams has seen a total of 3,257 patients during the year and Miss Melanie Waring, Dental Hygienist, treated 1,219 patients, many of them school children.

The Pathology Department is now fully involved with the UK National External Quality Assurance Scheme which has resulted in a much higher quality of work.

The Medical Department is actively involved with the Education Department in Health Education. All School age children have had hearing, eye and dental checks.

The Falkland Islands instituted nation-wide immunisation of children against Haemophilus Influenzae B which causes Meningitis and chest infections, a year earlier than the UK has done.

The Board of Health has instituted regular inspection of all food handling premises and over the past 2 years there has been a remarkable improvement in hygiene standards throughout the Islands.

A Health and Safety at Work Committee has been formed and has so far inspected the Quarry, KEMH, The Community School, Secretariat and The Government Printing Office. Recommendations for improving Health and Safety in these Departments have been made and a lot already implemented. Further Government Departments will be inspected throughout this and successive years.

In spite of a £1/4 million cut back in our Budget, services have largely been maintained unaltered.

ATTORNEY GENERAL'S CHAMBERS: MR DAVID LANG

I come now to the Justice Department. There seem to be some who consider that this Department has little to do, is overstaffed, and is unnecessary and that we could do without it. That is perhaps because, before the Conflict, we had only Mr Harold Bennett who worked away in the room next door and seemed to manage to do everything we needed on the legal side.

In fact in addition to legislation, which makes up perhaps 10% of the work of the AG's Chambers there is now little of importance in the whole administration of the Islands which does not have legal aspects. Every working week, the Attorney General's Chambers deals with dozens of requests for oral advice from other departments or members of the public on matters of law. There are many requests for written advice to be dealt with as well. The advice required covers a huge range of topics, impossible to name, but including everything the private sector does and everything the government does or it considers it may wish to do.

Some decisions by the government bring about a workload for our legal personnel. By way of example, I mention the sale of houses, housing plots, farming subdivisions and putting contracts out to tender. All these bring legal paperwork for the Attorney General's Chambers.

There are many claims against the government to be dealt with. Times have changed. In the past, people did not make claims against the government. Now they do. Government sometimes has to sue other people. Obviously our lawyers are involved in all of these matters.

In 1986, just before the fisheries regime was introduced, we had three lawyers employed in government who had four unqualified staff assisting them. Today, there are exactly the same numbers employed. In the intervening period, the workload imposed on them has increased. That is because the private sector activity has increased and the government budget has grown enabling us to do many things we could not afford to contemplate before 1986. The preliminary seismic surveys and reports are being undertaken this year. The legal work to arrive at the grant of licences to seismic survey companies occupied one quarter of the Attorney General's time last year. More legal work, likely to occupy several months, may be required of him if, next year, we are successfully to licence oil companies, at their own cost, to undertake further investigation of hydrocarbon potential in our continental shelf.

Far from the Attorney General's Chambers being unnecessary and overstaffed, the opposite is the case. To try to cope with the workload, many hours of wholly unpaid overtime are worked throughout the year. Even so, the Chambers cannot deal with its workload, as quickly as it would wish to do.

Now as to the other side of the Justice Department, here in the Town Hall: the courts and the Registrar General's office. Although we have a very small population, our courts have to deal with the full range of matters which all the courts in England together do. Criminal cases dealt with by the courts are of course reported in Penguin News and on FIBS. But there are other matters which do not come into the public eye. For example, if the owners of a fishing vessel in Berkeley Sound owe money here or overseas - or the vessel is involved in a collision - what are called "Admiralty proceedings" may be brought here.

The Senior Magistrate has to deal with divorces, applications for maintenance and custody and civil actions when a person sues somebody else. This workload is increasing. It is not dealt with in the local media. He has provided training courses for our Justices of the Peace who, do sterling and entirely unpaid work in the Summary Court. He sits as Coroner, and some inquests occupy a great deal of time, both inside and outside the court.

It is hoped that our courts, with the pending appointment of a part-time probation officer, will be able where appropriate to make a probation order instead of imposing a fine or a prison sentence. Our courts only rarely send a person to prison but they have said that repeating offenders may well be sentenced to imprisonment.

The Registrar General and her clerical assistant also have to cope with our many registries. The registration of deeds and searches of titles occupy much more time than they used to do, because the number of land transactions every year is several times the level it was before the Conflict. There is a large number of trademarks registered here and new ones being registered every year. There is the companies registry to manage and the activity there has increased as well. This year there will be a General Election, and as Honourable Members will be aware, the Registrar General will be heavily involved in the administrative side of that.

This, then, is our legal department. Ever since Shakespeare wrote "Let's kill all the lawyers," it has been fairly fashionable to think we could do better without them. The Falkland Islands largely did so until 1982. Whatever may have been the situation in the past, we cannot do so now, and our need for them has increased, is increasing and is not likely to diminish unless the Falkland Islands themselves are also to diminish.

I should like to add a brief word of my own on military/civil relations - they are excellent. This is a tribute to the hard work, professionalism and desire to cooperate of all ranks in the British forces in the Falkland Islands. And as this is a spirit which comes right from the top, I am pleased to pay tribute to the Commander, Rear Admiral Neil Rankin, whose last LegCo this will probably be. He has made it a personal objective to improve relations between the two communities on the Islands and he has certainly attained it. As I look at the achievements over the past year I think especially of the courage and skill of the air sea rescue crews, both RAF and Royal Navy, of the number of civilian casevac's undertaken, of the work of successive Sapper Field Squadrons, of the devoted service of military nurses, doctors and support staff at KEMH. All this in addition to the prime role of British forces which is simply to defend the Islands against attack from the outside and to guarantee our links with the United

Kingdom through the air bridge.

I should be grateful, Admiral, if you would give our thanks and our congratulations to all the men and women under your command and accept our personal gratitude for the outstanding support which you yourself have given to so many aspects of Falkland Islands life during your time here.

To conclude I should like to touch on one issue which seems to me to have assumed inflated importance ever since the financial crisis first became apparent in November. It is the old question of - and I am using quotes here - "expatriates".

I hope that in future that whenever this colony comes under pressure - economic or political pressure - from the Argentine Government the effect will not be to divide us but to unite us. To persuade us to stand together rather than look for some local scapegoat for problems which really originate across the sea.

The expatriates about whom there has been so much talk are not a flood of menacing figures. They are British citizens, just as Falkland Islanders are British citizens, just as the garrison at Mount Pleasant are British citizens. They have brought skills that were needed to the Islands and in many cases have made their homes here and invested their savings. There is no-one - literally no-one - on these Islands whose fathers or mothers or more distant parents have not done exactly the same. This is a colony of settlement and to believe that the door should be slammed because some magic figure of 1,700 or 2,000 has been reached seems to me to promise social and economic stagnation. Let us judge people by what they contribute to our society rather than by where they were born or who their parents were.

When Mr Garel-Jones was here in February he asked at a public meeting what sort of society we wanted to see on these Islands in 50 years time. This is a question which will not go away and it is one which candidates for the elections in October would do well to think about and to share their views with the electorate.

For my part I would hope the Falklands in the year 2040 would be a community whose population had increased substantially, living on its agricultural resources and also participating in the fishing industry, not just drawing licence fees from it, and offering a range of services to the fishing fleets which come to the South Atlantic. If there is oil so much the better, but we do not need to depend upon it. There are resources in plenty if we have the confidence to use them, if we look outwards rather than inwards, if we are prepared to invest our own private money instead of expecting the Government to provide everything for us. The victory of 1982 has given us military security, the fishing revenue has given us economic opportunities. We need to build on these advantages, not shelter behind them. The possibilities are far greater now than at any time in this colony's history. We need leaders in politics, in farming and in business to grasp them. Thank you.

MOTION OF THANKS TO HIS EXCELLENCY ON HIS ADDRESS TO COUNCIL

The Honourable T J Peck MBE CPM:

Your Excellency, Honourable Members, I intend to keep this very brief indeed for me. I listened with great interest Sir to your address this morning. There were many government departments mentioned in that address and if we could keep that momentum going, what I refer to is the communications among departments and other sectors of the community. This past six months I believe that my meetings with many different sectors of the community and with government departments, revealed to me just how much out of touch one has allowed themselves to become and I think that over these next couple of days during our deliberations in Select Committee. I trust that we shall all be in communication, all get a better understanding and that we can allay some of the fears which exists among the community by making the right decision. Because I feel that these Islands have a great future we need not be afraid of finding ourselves penniless and being perhaps dependent on Great Britain again for our finance. I don't believe that will happen again, in fact I am very optimistic with our

future. But it takes a great deal of courage to make some of the decisions so necessary for the future of these Islands. But the lack of communication has been one of the main factors in us not progressing as fast as we should have done and also in arriving at the right decisions each time. I am quite sure that we will address this over the next few days.

I mention a couple of things, the Falkland Islands Defence Force: that has a most important role to play in the future of our Islands and its defence; it has a significant role alongside our military garrison at MPA; it can do much better if it has the funds to provide it with essential equipment. I am asking my colleagues during the next few days in Select Committee to support this in full. We are not blind that options for change that exist within the British Military Forces are taking its toll, it will, I believe take its toll here in the Falklands as well in a small way, and therefore we must provide for our own Defence Force to participate more in its defence of its own country.

Housing, to touch on very briefly; there is a need for more housing to be built, we cannot stop today, we must continue with a steady progression of house building to provide for the young and elderly and funds must be made available to carry this out.

One read an article in the Penguin News on Saturday about roads in Stanley. I agree with that article, there are a number of areas within Stanley which have yet to be resurfaced and actual roads built properly, some of these are Brisbane Road, Villiers Street, Callaghan Road, Endurance Avenue and not least of all where not even street lighting exists and that is the Fisheries Estate. That is a disaster area as everyone knows funding has to be provided for that because it is not only an unsightly area but also a dangerous area.

What I ask Councillors to bear in mind that with the reduced expenditure that was brought about by the threat of an economic disaster here, which thankfully did not in the end materialise, in fact we were very fortunate in the fishing fleets returning to our waters to take up licences.

I am in one of those moments in time when my mind has gone completely blank. I do ask Councillors to bear in mind during their deliberations over these next couple of days that that effect, the overall effect it had on this community was quite frightening, quite devastating. But it did pick up, but there is still one sector of the community which is still being adversely affected by it and that is the hourly paid worker and I would not wish to add to their burden. I believe that we have a responsibility to look to them as a very high priority in providing overtime where it is essential.

That reduction also had an effect on private businesses at the same time because there was less money to spend and private businesses suffered as a result. I believe that we do have the funds, I do believe we have the courage to make the right decisions over these next couple of days to provide for our future and its people. Thank you Sir.

The Honourable W R Luxton:

Mr President, Honourable Members, I would like to add my thanks to you Sir for your very wide ranging and detailed review of the happenings of the past year. It has certainly been a bit turbulent at times but all in all I think we can chalk up a few more positives than negatives. In a little while we will hear what pleasures the Financial Secretary has in store for us.

You pointed out Sir that this was your first budget Legco and of course it is the last for this Council and perhaps Councillors should be reviewing the last three and a half years as well. Again I think the pluses would outnumber the minuses but the final verdict will be delivered by the electorate in October. I suspect you might have a set of fresh faces at your next meeting Sir.

I think we have managed to continue to make steady progress considering the stagnation or even the decline in total revenue, the world recession has had its effect even here, particularly in the catastrophic drop in farmers incomes. I fear that those outside agriculture just do not take on board the meaning of what has happened there, try to imagine living on half of your income all of a sudden.

I read recently that almost half of UK farmers are also living on less than £5,000 a year, so it is not only here. For my constituents that has to be the biggest change during our term of office. Before the last election I described the farming industry as vibrant and healthy, that would bring a pretty hollow laugh today, I know. Thank goodness there were the funds available to tide people over and the present drop in interest rates is another big help to many, we must just hope that the long promised recovery brings wool prices back to survival level.

As to our broad budgetary policy there is one change in the basic approach that I would urge on the administration and on Honourable Members. My colleague, Councillor Peck described the effect of recent happenings as being devastating on some areas of the community.

The budget review has been and gone and I think most people will agree that some things were not very well handled. The effect on the hourly paid workers in these Islands is particularly serious.

I won't dwell on the past, but one thing I would urge is that we accept that in future years we shall never know what our income will definitely be during the year that we are considering and I urge that in those years to come we should adopt the policy that we are making a prudent spending budget and stick to it, because we are fortunate enough to cover that expenditure even if our income is nil. The following year's budget should be prepared in the light of this year's income and so on. I would not wish to see a repeat of the near panic that existed at times some months ago, I don't believe it was or should ever be necessary.

For myself I must admit that the thing which gives me most pleasure is to see the real beginning of a camp road system on no less than three fronts at present. In particular I would like to pay tribute to the north camp road gang who have achieved something quite remarkable on very difficult country. I have watched them punching through and over the most awful swamps and the way they managed to repair the Malo bridge within hours of the damage caused by the recent freak weather was just amazing. They are also to be congratulated on the really excellent landscaping afterwards. Gordon Forbes and his men working on much easier country have successfully completed the first steps on the West and over there we look forward to another big push next year on the way to Hill Cove and Fox Bay.

In the joining of the two Fox Bay's by BT Construction is another victory for sheer determination despite having machinery which would be better off in our museum. By contrast our involvement with PSA has not been a happy one, but half the road is built, to a high standard, and we shall see what the next few months bring on that front.

Almost four years ago this Council was elected with a clear mandate to make no concessions whatever to our avaricious neighbours. I am glad to say that we have kept to that and despite pressure from some quarters, some from people who are just mistaken, some with their own devious motives, we have resolutely refused to consider any direct political contact with the Argentines while they continue to threaten our homeland with their preposterous claim. So long as those who are privileged to sit around this table remain totally inflexible on this one point we will be okay, but heaven help us if we weaken or are bullied into making concessions.

Finally Sir, while we go away and try to amend or whatever the proposed budget to suit whatever our own particular views, I would like to thank those who actually guarantee our security, and I refer of course to all those men and women at MPA, who are miles away from their loved ones, facing a winter here, many of them while the wife and kids are going off on summer holidays. It also seems such a very short time since Admiral Rankin and his wife arrived among us and I know of nobody here who doesn't wish that their tour could be extended. Admiral, it has been a pleasure having you here and thank you for all you have done, we shall miss you very much. Thank you Sir.

The Honourable Mrs Norma Edwards:

Your Excellency, Honourable Members, in rising to thank you for your speech Sir could I touch on just a few points that you mentioned.

The budget cuts, as you said we are in the happy position of having a £6 million surplus because of the co-operation and hard work of our heads of departments mainly, who were asked to cut their budgets considerably at the beginning of the crisis. And by the recovery of the fishery licence money which we thought would not be available this year and to a much lesser extent by some of the recommendations of the budget review committee. I agree absolutely with what Councillor Luxton has said, a lot of panic was created unnecessarily I believe at that time and not a great deal of savings at the end of it. The people most affected were the ones at the bottom of the pile, the hourly paid who could ill afford to lose money and I thought that to a large extent it was handled very badly.

I believe that the financial uncertainty which we have lived with this year will be an ongoing problem so long as our finances depend, in the large, on money generated through our fisheries, and it is right and proper that our Financial Secretary designs a cautious budget not just this year but also in future years, because our fish stocks are decreasing annually and it should be remembered that wherever fishermen choose to fish on the high seas they have left behind fishing grounds either fished out or have greatly depleted the stocks until in some cases they are commercially unviable.

This will be our fate too, unless we are constantly vigilant in sustaining a strict conservation regime. I wish our Director of Fisheries well during the next meetings with the South Atlantic Fisheries Commission and I hope that they can convince the Argentinians that it is in their interest as well as ours, to follow a strict conservation regime as possible. It has to be noted though when we talk about any kind of deals with the Argentine we are likely to find that we are disappointed; they have never in the past kept to any kind of agreement they have made I can't see that the leopard has changed its spots in ten years.

You mentioned the fuel depot Sir, I remember when we were talking about building a tank farm that one of the reasons that we were pursuing this course was that we would hopefully be able to buy and store our fuel and be able to obtain the fuel from the open market. Hopefully if this is the case any reductions in future fuel prices can be passed on to the consumer, I think fuel is a bit highly priced here to say the least.

If I may mention FIGAS, all in the Camp community appreciate very much the service provided by FIGAS and I think the period of a reduction in flights from the 1st April to 1st November is far too long. The savings generated by the five day week, I believe, are not very great and many people feel that a stoppage of flights mid week causes a maximum of inconvenience. This extended period of five day flying operations I am told by lodge operators will result in loss of tourist revenue to them as well. I have spoken with Mr Steen recently and he assures me that Wednesday's and Thursday's are FIGAS's quietest days during the winter periods. Nevertheless it does inconvenience travellers who have business or hospital appointments in Stanley and I wonder if perhaps weekday flights could be chopped as in previous years rather than midweek flights, perhaps too the seven day flight schedule could be introduced again earlier than November or at least perhaps a six day flying week might be considered at an earlier date, no doubt we will discuss this later in the week.

As Councillor Luxton says the agricultural community continues to suffer greatly and there seems to be no end to the current problems. I hope that this government and probably successive governments perhaps two or three years or even more to come, will have to consider yet more help to the agricultural community. I hope this is well understood by everybody; we don't like the situation any more than anybody else does but I am already hearing young people on farms saying that "if this goes on much longer I won't be able to continue," and that is a real problem which government will have to face and would be disastrous not only for the farming community but for government as well if the farmers decided to leave the land. So I would urge that due consideration be given to this part of the Falkland Islands population and bear with us while we suffer the trials and tribulations of no money, which is basically what it means.

Mr Luxton congratulated the north camp team on the excellent road they have built and I reiterate that absolutely. I would only say that now we have a claim against us by PSA I have asked repeatedly in the past that we keep our road contracts local under the auspices of PWD

or small local contractors. I would reiterate again that any future road programmes that we are planning to build will be kept on a local basis and not having money, that we can ill afford, going out of the Islands at this point in time. I would also like to point out that, yes, I agree we put some more money into the main trunk roads programme but could we have an equal amount of money to the smaller road programmes such as culverting, ditching, bridging in out of the way places where people actually live. It is all very well having a splendiferous road going from A to B, but when your population actually lives 20 miles away from that site and you have to drag your wool overland through a bog, when a few patch up jobs would help tremendously and a few link roads would help even more, to connect with the main roads when they come through. I think that the main emphasis on road building should go in that direction this coming year.

May I just say a small thank you to SSVC for the camp television, that is said with tongue in cheek because I have played more scrabble since television has come to our farm than I ever have before. Mainly not because the television is no good it is just the programmes that are on early in the evening I don't happen to like, but that is my fault. But I know the camp population are delighted that TV has arrived and it will make a great difference to the long dark winter evenings.

You mentioned the archives in your report on the museum Sir, this is extremely important. I say it every year but we really must look to provide an adequate buildings for our archives. It would be disastrous if they were lost and having them stored in wooden buildings is ludicrous. The Historic Buildings Committee, of which I am the Chairman, as you say under the auspices of Miss Jane Cameron had a very successful exhibition. We are hoping that perhaps we can persuade my colleagues to vote some money towards a grant scheme for the repair of old buildings, not a lot of money. But it has to be remembered that a great deal of the historic buildings are lived in by the older members of the public, not all of them but a lot of them, and these are the members of the public that can ill afford to keep them in good repair as how we would like them.

Can I also say to Admiral Rankin thank you very much to you, to all your staff for the excellent job they do, we are always delighted to see you in camp and will be very sad to see you go Sir.

You mentioned expatriates, well I am married to one and I have called him lots of names in my time I haven't actually called him an expatriate I will try that next time I am mad. But I think a lot of the problem, the attitude problem lately, I have got no hang up about expatriate labour, I am very grateful for them to be here. But a lot of the problem was generated by the budget review committee where the bottom of the pile got the chop and the top of the pile stayed firmly in position. Sir, thank you very much.

The Honourable K S Kilmartin:

Your Excellency, my intention was to be brief but following the prior speeches I will be even briefer.

Councillor Luxton has pointed out Sir, that although this may be your first Legislative budget session this is this Council's last and we are in reflective mood as well as looking towards next year's budget.

We are reflecting on how this Council has dealt with the Argentine problem, we are reflecting on how we, perhaps, have attempted to fulfil the expectations of the electorate to provide a democratic, sensible, open system of government. I don't think we have totally failed and we are also thinking about the direction, what life will be like for this community say in 2033, the bicentennial.

No doubt we will be addressing these questions over the next few months leading up to the election, but this morning I would just like to mention briefly some economic matters. Sir, you mentioned the opportunities, the great opportunities that face us, and of course we are frequently told that smallness can be a virtue. This community has a very high per capita income, one of the highest in the world, but this is a tiny country with a tiny economy: its

fragile, its volatile, depending mainly on selling licences to orientals.

The private sector is dwarfed by the public sector. The growth since '82 has almost exclusively been to government, the percentage of the economy that is controlled by the private sector is probably smaller now than it was in '82.

The sudden potential collapse of the licence revenue led to the sudden inception of the Budget Review Committee. This wasn't altogether a glorious episode in the year but perhaps something valuable came out of that and perhaps we can build on it even though in many respects it was floored. Economic planning is very important for this community and we don't have enough of it. During the year we had a visit from Gibraltar and, I think, from Joe Bossano we should have learnt a number of things.

We need an efficient, streamlined civil service; we need to encourage the private sector; and we need to privatise more of the services that are currently done by the Falkland Islands Government. We need to plan for the camp community; we need to plan for the worst and hope for the best. I am afraid I am not as optimistic as Councillor Luxton I believe that the camp community is in for a number of very hard years and we must look at the problems of camp and try and make sure that camp survives.

We must also not reduce our education effort, we now have the new school. We must resist budgetary cuts in education overseas, we must continue to send our young people overseas to come back here to take the top jobs in the end.

Sir, you mentioned in your speech that the burden of the Budget Review Committee fell on the hourly paid, and you mentioned that a community under financial pressure should not seek scape goats, that there shouldn't be division, that perhaps the FIG should act even handedly.

Contract officers are necessary but they are expensive, this community must decide whether they need such expertise and whether they can afford it. Then the contract terms must be clearly defined, words such as inducement need definition. I live in the Falklands, the Falklands is a fine place to live especially living in the Camp. The attractions are obvious to everyone here, we must recruit those people who find this type of life attractive, who want to share with us in the South Atlantic the good things, it may then be that this inducement can be more closely looked at.

Sir, as you say we are dealing with problems of success. This country now has more money than we dreamt of just a few short years ago and with good advice, and with good judgment we can succeed and in the year 2033 could be the sort of vibrant community we want this place to be. So Sir, before I finish I would like to endorse what the other Councillors have said and thank the Admiral for his successful year in the Falklands.

The Honourable G M Robson:

Your Excellency, Honourable Members, in rising to support the motion, as usual at this end I find there is very little left to say. But I think the Honourable the Financial Secretary, his staff and indeed all departments should be congratulated on producing a budget on time in spite of writing and re-writing the estimates and budget proposals several times due to varying degrees of financial crisis and some reactionary, could I say, panic, that word I think has been used before.

The fuel depot was opened this year and whilst Stanley Services may have it detractors, we now have a modern depot and service station, and it should also be noted that Stanley Services have realised a considerable amount of money for the Falkland Islands exchequer by way of a significant dividend.

The fire department, you mentioned and I think it is correct to say that apart from unfortunate ship fires the majority of the fire departments work, in relation to fires, has been of a relatively minor nature and this I believe reflects the effectiveness of the departments fire prevention programme and for that achievement they should be congratulated.

The new school is proving to be a new success, not only as a school but as its name implies as

a community centre, and it is pleasing to see that quite a number of different and possible non educational uses are gradually beginning to be in the building. I perhaps should say that whilst the school street does not appear to lend itself to public meetings it's successfully used for such functions as the recent craft fair and I hope that this and other diversives uses will increase in the future.

Like my, the Honourable friend on the left I have said often that these Islands will be the responsibility of the younger generation and a good education will equip them to cope with that responsibility and so must be one of our top priorities. Likewise training in the less academic fields must also go forward in order that jobs presently done by contract officers, can and will be done by the people who wish to live here permanently.

I was interested to learn that the Dash-7 operation may be from Stanley, and if it is successful it is a step forward, for I believe that we can and should work at being one of the gateways to Antarctica. And we should do all that we can to encourage the use of the Airport in this and other ways. Laying up BAS aircraft in the Falklands over winter has been talked about in the past, perhaps it is now time to resurrect the idea in the interests of diversifying the Government economy.

On economy, oil and water do not mix and I would hope that the fishery's regime would not impinge too much on a possible minerals exploitation. While fish know no boundaries, oil is found in defined areas and it does not move significantly and so apart from straddling stocks of oil other exploitable areas should not be the subject for anyone else save ourselves.

Sadly, I reluctantly have to agree with your comments on the legal department for the most part. But I am sure that as we are further propelled into the wider world at great pace and reap some of the benefits of that we must realise that we will also get lumbered with some of the not so beneficial things, not least of which are the propensities of more and more legislation and more and more bureaucracy. No doubt it is the rain forest conservationists now who say "lets kill all lawyers" adding "before they kill the forests". I am sure the Attorney General will not take this too much to heart as he constantly tells us that all the memos and explanations are absolutely necessary.

In conclusion Sir, I must confess that I personally am a little perplexed by the thrust of your conclusions. I don't believe there is quite the degree of anti expatriate feeling, a word I am not enamoured of in the Islands. As far as I am aware criticism here as in any small community, stem more from perceived usefulness of individuals rather than birth place and indeed there are a great many people now living here who hail from other countries and who have arrived fairly recently, but who have integrated and served the Islands very well. I am sure that gradually will become home to more as the life style in some of the larger countries becomes less and less attractive to more and more people. Thank you Sir.

The Honourable H T Rowlands CBE:

Your Excellency, Honourable Members, I have noted a few points when you were delivering your address from the throne this morning and I noticed in particular one of the first things you mentioned that we had reserves equivalent to 22 months of expenditure. I think that is admirable but we should increase on them as much as possible. But I recall one stage when I was Financial Secretary I asked for advice on the minimum reserves that the Falkland Islands should keep, I was told then 4 months. I agree that the present financial position is more vulnerable and we should maintain something like at least 22 months as a minimum of expenditure and of course we should increase it if we possibly can.

It was mentioned also that we need to cut back on overtime. I agree that in some cases it was probably being abused, but it is also an incentive to work and I think we should look at that very carefully when we are examining the estimates in Select Committee.

On the fisheries, the department which comes under my portfolio, I must say I have enjoyed working with Mr Barton and Captain Clark, there are some rumblings in the fisheries department at present, I think which is tended to be caused by some of the cut backs in expenditure and I am in touch with Mr Barton and his staff on this matter. But I think that we

have put a great deal of pressure on that department through the cut backs.

I am very pleased that the General Manager of the Falkland Islands Development Corporation has provided a draft policy for fishing and this will be considered in the Fisheries Policy Advisory Committee in the near future and I will be calling for comments on that proposed policy both from AFIFI and the newly formed BIFF.

I am pleased that you mentioned that an Immigration Advisory Committee has been set up. I agree with you that there can be no magic number but all countries have to have an immigration policy and control and I think that that is very important. From day to day I receive telephone calls and sometimes visits to my house by people who have difficulty in getting work. It is quite serious and more recently Dr Diggle invited Councillor Short and myself to a meeting in the hospital on this subject and a paper is being prepared at present by the Economic Advisor.

During the period of your view of the departments and the legal department there is one additional group of people I would like to thank and that is the Justices of the Peace, who have such an unenviable task.

You mentioned after that, Council, I would like to say thank you to the Clerk of Councils for his splendid work in providing all the papers.

The education department: I have had pleasure in talking to some of the students and in particular those who have been sent away. I am very impressed and I think the education standard has gone up tremendously. I just wish I had the opportunity in my day at school.

The Falkland Islands Government Office I am pleased you mentioned Miss Sukey Cameron I think she has done a very good job and I would be pleased to discuss the estimates with her during the course of the Select Committee.

At this time I think it would be appropriate to thank the Falkland Islands Association for their contribution towards the Falkland Islands. I think it is a very important body and when we are in Select Committee, I think we should consider their financial position which is, according to Mr Clifton, in difficult times.

The PWD who come in for so many knocks from time to time are, okay. I could add to some of them perhaps, but I am very pleased with the way in which I get water supplied to me, it is fantastic I think, as much as I like. The electrical section too, all you have to do is switch on the light, very seldom a power cut, I think it is a credit to them. The amount of crushed rock that you mentioned is also quite amazing, I think that they have done a good job.

Turning to the other department which comes under my portfolio is the Medical and I must say that I have had splendid co-operation from Dr Diggle and his staff; it has been a privilege to have worked with him. But I would not like to forget the doctors there, I think we have a splendid group of doctors, also the whole staff of the medical department, military and civilian, I think it is splendid.

I would like to pay tribute to the two officers who are being retired soon, Mrs Finlayson and Mrs Carey: they have done this community well. And I would also like to mention at this stage those other people who have been compulsory retired. I disliked, as the administration knows, the way in which it was done and I would have hated to be one of those people retired in that way. I hope it never happens again.

Turning to the military I agree entirely with the splendid relations which has been obtained in particular during the last year while Admiral Rankin has been present with us. I add to the conveyance which you passed onto him the gratitude of the military, all ranks of military, and also the supporting civilian staff at Mount Pleasant. In particular I would like to pay a compliment to the members of 460 troop who unloaded the heavy equipment on the West Falklands.

I can look forward, at least I think I can to the year 2040, I will be 109 then. But I would like

to see virtually the same things as you, a community with a greater population and prospering from agriculture and fishing. During a visit to the Shetland Islands I asked a prominent member of the Shetland Islands community how long would it take for the Falkland Islands to achieve a fishing industry. He said if you start your young people off now, you will reach there in 50 years so that ties up with the 2040. Within the last 24 hours I spoke to an experienced fisherman from the Far East, I asked him the same question, he said well depending on your education here, which I am not familiar with, I would think it would take, if it is good, I think it would take 30 years. So I do perceive that we will achieve a fishing industry here in the future, but I don't think it will happen overnight.

I agree with you when you summed up that there should be leadership in politics, there should be leadership in farming; there should be leadership in business; and I think there should be leadership in the civil service. I support the motion of thanks.

The Honourable G P Short:

Your Excellency, Honourable Members, in rising to support the motion of thanks I shall be very brief, I have no other choice everything has been snaffled. I don't intend to use this opportunity now to look back over our past few years, I will leave that to the motion for adjournment I would rather comment on what you have said Sir, and also perhaps look ahead to the coming years.

Touching on some of the things I also am pleased that at long last we have got around to getting ourselves an Immigration Advisory Committee, it is not for the want of trying over the last years, there seemed to be perhaps a lack of willingness in some quarters, I am not sure, but it has taken us an awful long time to get there. I actually do feel sorry for the immigration officers they really have had very little policy to go on up until now as to who they should let in, who they should keep out and I know they found themselves in the cross fire quite a few times. Hopefully with the work of this committee it will ease their problems.

Immigration also, of course, touches on unemployment which has been mentioned, it is something that I do feel strongly about and it is something that is getting worse here. We do have to have immigration I agree, but it has to be selective, what I think perhaps, for example, we don't want is to keep on employing, if you like, labourers, we seem to be producing enough of our own. To balance immigration and our own needs of the unemployed here is going to be very difficult, but it is something I believe we can do especially with the help of that committee.

To touch on the police, which I know in the past has been rather unfashionable to do, I actually would like to congratulate them. I think they are actually getting it right now. The community when we first came to this building, in fact had very little respect for the Police, but now it is something I think that is getting better as time goes on and it is something that I would hope will continue to be so.

The FIDF goes from strength to strength, they amaze me, I often think they can't get much better and of course they do, they carry on getting far more professional as time goes by. I for one will be supporting the Honourable Mr Peck in his endeavours to get what equipment we can for them.

Sir, the Post Office was mentioned, I am amazed that they can perhaps even function from day to day in the cave like offices they have just along the corridor here, I really do hope we can do something for those people. Philatelic, I note what you have said Sir, in your address and I can only repeat what I have said at this table before about the Heritage Year issues, we did get a bit of a caning for what we got up to then but it was something that we recognised at the time, it wasn't going to be liked by people in the UK etc. It was our year and we issued stamps that were peculiar to us and I certainly for one make no apology for that. I also found it slightly galling to hear on "Calling the Falklands" what I thought to be a rather unsolicited attack on our Philatelic policies. I believe it was mentioned that we were thinking about issuing stamps about trains at one stage, well I would certainly like to tell the house that to my knowledge this is not the case and I don't think it ever will be the case. I do wish, perhaps, that people would come and talk to us before launching broadsides from overseas.

Health and Safety: I am very pleased to see the Health and Safety Working Group up and running it has taken us perhaps three and a half years to get there, but it is something that is necessary and we are going about it, I feel, the right way. In going around government departments first before thinking about introducing any sort of legislation. I believe we should be doing it this way, nice and gently without going over the top.

In the course of the health and safety visits, I have been around some government departments that I am rather embarrassed to say I hadn't been into before properly and one of those was the printing department. It wasn't so much an eye opener as a complete shock at the state of that building, the wiring alone leads me to believe that unless we can do something very quickly with that building it won't be standing in ten years time. It is also filled with some pretty nasty chemicals and if that building ever does go up the toxins released could well cause great health risk for people in the Secretariat or Hospital depending on which way the wind goes, so I do hope my colleagues will take note of this.

Sir, civilian/military relations are very good and I am pleased to say that of course this is the case and I do hope that over the years it will continue to be so.

Also I am pleased to note what has been said about the hourly paid around this table today, it heartens me to hear such labour views being expressed; I have waited a long time for this moment and I am loving it.

Finally Sir before I sit down, there is something that I have come across just recently and talking to a couple heads of departments and that is the amount of goodwill that is being shown by the people who work in some government departments, and I am thinking perhaps here especially of the fire and rescue department, whose officers actually give up a lot of their own time without any pay whatsoever. Now this sort of goodwill is a good thing and indeed should be encouraged, what I am worried about is perhaps we are taking it a little bit for granted, just because these people are doing it now that they will always continue to do so. I do feel that it is perhaps something that should be nurtured in the future and as I say not taken for granted by us and also perhaps the administration.

Sir, I look forward to our deliberations on the budget and hopefully when we come back to this table, I would imagine on Friday, we will have formulated a sensible budget for the coming year. Sir, I wish to support the motion.

The Commander British Forces:

I think I will respond to your kind wishes obviously at the penultimate session of the, or the plenary session of the budget committee meeting but I will indeed pass on your good wishes and thanks to the British forces. I think the one thing that hasn't been mentioned is that we and particularly as this is a budget, financial Legco that we are quite a large spender, if you like. Out at the military complex the British forces, I for one look forward to us being able to contribute more of our spending power into the local economy, and to that extent we have an employment and local forum which has terms of reference approved by His Excellency the Governor and myself and we hope that we will make considerable progress in the years to come in the military being able to contribute more to the local economy.

The Honourable the Financial Secretary:

Your Excellency, I welcome you to your first budget Legislative Council meeting. Throughout this financial year at meetings of the Standing Finance Committee and in particular at the budget review meetings the governments finances have been constantly reviewed. As is normal practise a comprehensive review will be carried out during the next few days of the Appropriation Bill Select Committee proceedings, where Honourable Members views and comments on economic and financial matters will be considered and taken into account. As President of this Council Sir, you are spared that excitement. I support the motion of thanks Sir.

The Honourable the Chief Executive:

Your Excellency, thank you for your words of confident support for those of us who are in government service. There has been a period of insecurity that did little for the security of those who are in government service. I am particularly grateful to the government heads of department for their role, for their support and for their loyalty during that difficult period. I remain confident that the government service will continue to provide those essential services that people in the Falkland Islands have become accustomed to receive in the way that they receive it.

Perhaps it would be valuable to explain, not to Honourable Members because they are more aware than most, just what the budget review committee was, because one might believe that the budget review committee was some star chamber that was set up with authority to act outwith the consent and approval of anybody else. You might also believe that it was set up by a group of people who came from outside these Islands and were in no way influenced by the people who came from these Islands. The budget review committee was proposed by Elected Members at Executive Council and set up with the authority of Executive Council. As far as I recall there was only two members of the six people who took part in the committee who weren't actually born in these Islands. The committee itself had no authority and no powers, no action could be taken by any of its recommendations until such time as it was approved by Executive Council, because that is the correct and democratic way that things have to be done and that is the way that they were done. It was perhaps an error of judgment to give out more information about what was being considered at the time, than was perhaps absolutely necessary. The alternative to that would have caused to have had this much maligned committee accused of operating behind closed doors and being not wishing to communicate and give any indication of what was going on and I think this was part of the quandary that this committee found itself in.

That being said the proposals of the budget review committee were presented to Executive Council only at the last meeting last week and a great many sane, solid recommendations were accepted by Executive Council. In fact I cannot think of any recommendation that was not accepted by Executive Council. There were many proposals that had been considered by the budget review committee and they in their wisdom disregarded a good number, altered a few. But all their recommendations were accepted by the democratically elected Executive Council and that is right and proper.

I might just mention in that we have had various fan clubs made acknowledgement to their pet organisations and those departments and subdepartments that have done extremely well. Can I take this opportunity to mention Falkland Landholdings which is one of the largest organisations that the government funds. They too have had difficult times, albeit they have some security as the farms are government owned, but they have gone through a period of wondering just what the way ahead would be for them, were the farms to be sold out from under them, was their whole status to be totally transformed. I think that Falkland Landholdings has done much in the past two years to reinforce the bold decision that was taken to buy the farms to return 27½% of land mass of the Falkland Islands into Falkland ownership and it has given us something that we can work on for the future.

Concerning the different units at Mount Pleasant I would like to draw the Admirals attention to the unseen and largely ignored role played by the Royal Corps of Signals. Everybody else has had a go around here and it is not simple because I am wearing a Royal Signals tie today that I draw this to the Admirals attention, but if the careers of those people are going to be influenced by what has been said around here, I think the Royal Signals should have their share today as well.

Finally in conclusion and touching on the remarks that other Honourable Members have made about the current tenure at MPA it just goes to show that a town without Beer isn't all that bad. I support the motion.

CONFIRMATION OF THE RECORD

The Record of the meeting held on 20 November 1993 was confirmed without amendment.

PAPERS LAID ON THE TABLE BY THE HONOURABLE THE CHIEF EXECUTIVE:

Copies of Subsidiary Legislation made or approved by the Governor in Council since 20 November 1992 and the 1991/92 Government Audited Accounts.

The Court Rules (Corrections) Order 1992

The Harbours (Amendment) Regulations 1992

The New Coins Order 1992

The Customs Fees Regulations 1992

The Fishing Licences (Applications and Fees) Regulations Order 1993

The Voting in Institutions Regulations 1993

The Fishing Licences (Applications and Fees) Regulations Order 1993

The Registration Fees (Amendment) Regulations 1993

The Falkland Islands Government 1991/1992 Audited Accounts

The Honourable the Chief Executive:

I beg to lay on the Table the papers named by the Clerk.

QUESTIONS FOR ORAL ANSWER

Question Number 1/93 by the Honourable H T Rowlands CBE:

Will Government consider re-introducing a 24 hour dedicated radio watch in the Fisheries Department?

The Honourable the Chief Executive:

Your Excellency there is a view that the level of activity and importance of the Fisheries to the Falklands merits a 24 hour watch-keeping. The Fisheries Department is reviewing its establishment in the area of fisheries protection and harbour control, and proposals which will address issues of safety and possibly a 24 hour watch keeping will be referred to Executive Council in due course.

In discontinuing the earlier established 24 hour service it was considered that adequate emergency cover was provided by the Police Department and the Fisheries Protection Vessels, and without wishing to tempt fate, there has been no evidence that the current arrangements have resulted in any delay in responding to emergencies and, indeed, the system appears to have functioned as was intended. The other reason for having the monitoring vessel activity on continuous radio was to assist in determining the vessels that were arriving in Berkeley Sound. Even with a 24 hour cover being provided the number of vessels failed to use the system and those are only spotted by physical monitoring of Berkeley Sound. So the matter is under review and will be considered.

The Honourable H T Rowlands CBE:

Will the Chief Executive say when it will be considered?

The Honourable the Chief Executive:

A paper was produced to Executive Council last week and it was determined by Executive

Council that the matter should be considered by Select Committee.

The Honourable H T Rowlands CBE:

I thank the Chief Executive for his reply.

The Honourable K S Kilmartin:

Will the Chief Executive find out how many watches are kept by the Falkland Islands Government in its many departments for a 24 hour period? He mentioned that the patrol boats keep a 24 hour watch and so do the Police, are they the only departments that have 24 hour watches?

The Honourable the Chief Executive:

That is correct Sir, there is in addition a 24 hour watch that is being kept by Cable & Wireless on VHF and there is some consideration being given to negotiating with them for including certain aspects of other radio watches to those people concerned. But the concept of introducing a 24 hour watch in Fisheries on top of the other is an option that is quite expensive.

The Honourable K S Kilmartin:

Sir, forgive my ignorance but does the Fire Department keep a 24 hour watch?

The Honourable the Chief Executive:

Not on radio, no Sir.

Question Number 2/93 by the Honourable H T Rowlands CBE:

Sir, will the Chief Executive advise whether Mineral Legislation which the Attorney General prepared some months ago will be referred to this House for consideration in the near future?

The Honourable the Chief Executive:

Your Excellency, the draft legislation the Honourable Member refers to was in fact prepared in the period 1988 to 1991. On instructions from the Foreign and Commonwealth Office it was shelved and a short Bill, which became the Continental Shelf Ordinance 1991, was prepared in its place.

I am been advised by our consultants that it is necessary, before 1994, to enact detailed legislation. This is under consideration. Because of the work that would be involved, it is unlikely that the Bill could be presented to this House until sometime in the early part of 1994.

The Honourable H T Rowlands CBE:

Will the Chief Executive advise when this Bill will actually be considered in this House?

The Honourable the Chief Executive:

I am sorry Your Excellency I thought I had indicated that in my answer. We are advised that it is necessary before mid 1994 for it to be enacted; it is unlikely that the Bill could be presented to the House before sometime in the early part of 1994. It is difficult to be more specific than that. One of the reasons is that it is not a matter that is entirely within our own control and if the legislation is to be drafted by our Attorney General, and that is not certain, it will require considerable cooperation from departments of Her Majesty's Government in the United Kingdom, and it would be improper and unwise of me to make any estimate on the level and speed of their cooperation. But our best feel is that it could be presented to the House sometime in the early part of 1994 and this, one would hope, would be in sufficient time to allow for the licence round that has been considered in the framework that Members

are aware of.

The Honourable H T Rowlands CBE:

Sir, is it likely that the legislation which the Attorney General is prepared will go through or will some legislation which is prepared in the United Kingdom be forthcoming and perhaps be unacceptable to us?

The Honourable the Chief Executive:

Your Excellency, the observation is speculative and I can well understand the concerns of the Honourable Member and I know that this is one that others share, it is a matter which this Government must ensure separately with Her Majesty's Government but the position, the Letter of Comfort has made it clear what is going to happen in the future with the Falkland Islands continental shelf, and there has been no reason given that we shouldn't be able to move forward corporately to see this aim achieved.

The Honourable T J Peck MBE CPM:

Your Excellency, may I ask the Honourable the Chief Executive, with a further delay in this legislation being introduced to this House what are the implications of major companies in applying, will it not set them back many months to come and this in itself will have an adverse affect on the Falklands?

The Honourable the Chief Executive:

Your Excellency, the word that the legislation may not be detailed until 1994 will undoubtedly be a disappointment to companies who are strongly interested by the technical data that has been made available on the Continental Shelf so far. It appears that most oil companies work on a calendar year financial programme and therefore to find the funds for 1994 requires planning provision and budgeting before that date. For that reason our consultants have pressed us to make certain that the right signals were being sent to the oil companies by October of this year so that financial provision can be made to purchase the seismic survey during their next financial year. Quite what the effect of my answer will be to those companies I am far from certain. Whilst the signal about the detailed legislation is a strong one, there may be other activities that we can undertake that will strengthen the hand of those companies and realise that this is part of a planned and sustained programme that should ultimately lead, all technical things being equal, to the exploitation of hydrocarbons from the Falkland Islands Continental Shelf.

The Honourable T J Peck MBE CPM:

Your Excellency, may I asked the Honourable the Chief Executive a further question, the delay in presenting the minerals legislation to this House, is it because the legislation is not being continued with at the time, are you able to answer, or would the Attorney General Chambers, are they still actively drafting this legislation or has it been stopped?

The Honourable the Chief Executive:

Your Excellency, the Attorney General has worked as we all know diligently and hard in the preparation of draft legislation. He is no longer in a position to continue with his work in this matter until a number of the points, to which I have referred have been clarified. He could draft legislation until the cows come home, but there is no point unless he is working within the parameters that will be accepted; he has to have certain parameters identified to him. Until that happens and there is no reason to believe that it will not happen in due course, until that happens there is no drafting taking place on this legislation in this Colony at this time.

The Honourable K S Kilmartin:

Sir, could the Chief Executive say what the effect of this delay in the legislation being passed will have on the two seismic contractors, does this mean that they will lose money through not

being able to sell data that in one case they have acquired and in another case they are considering acquiring and does he think this will have a negative effect on the contractor who is still to acquire data?

The Honourable the Chief Executive:

Your Excellency, once again I am being tempted to speculate about areas of which I am far from confident. From my recent close contact with the two companies I know they would be disappointed were they to have heard that no legislation was to be enacted, that is not what has been said. It now appears unlikely that we will see legislation brought to this House during this calendar year, that will undoubtedly be a disappointment. They are more aware than most of the need for financial provision to be made by the oil companies to purchase their survey and in each case we are talking about \$1 million purchase so it is a considerable amount of money and this will be a disappointment as I have indicated in an earlier answer, it need not necessarily be the end of the road, it is one factor and it may be that some emphasis will have to be given to other factors that will give encouragement to the oil industry that the Falkland Islands Continental Shelf is a sound investment.

Question Number 3/93 by the Honourable K S Kilmartin:

Sir, could the Chief Executive outline the activities of the Falkland Islands Government delegation to New Orleans, Houston and Dallas?

The Honourable the Chief Executive:

Your Excellency, the Falkland Islands Government delegation, comprising Dr's Fannin and Richards from our hydrocarbons consultants the British Geological Survey, the Treasury representative and Core Group representative Mike Luxton, and myself visited America to take part and attend the American Association of Petroleum Geologists' Convention in New Orleans. Our remit was to:

- a) exhibit a poster representation of the basic geology of the area;
- b) provide a point of contact for other convention attendees wishing to discuss further the geology and other related matters of the area.

In addition to this our objective was to:

- c) encourage the sale of the seismic survey reports of Geco-Prakla and Spectrum;
- d) and the sale of the BGS Report evaluating the existing data on the Falkland Island Continental Shelf.

I am able to report that our stand at the AAPG was an active place of business and we can assume that our mission was a success.

A detailed report has been prepared and has been made available to Honourable Members.

The Honourable K S Kilmartin:

Sir, in view of what the Chief Executive has said to the previous question does he believe that the marketing effort that was put into America will now be not so effective as obviously one leg of the marketing of the Falkland Islands prospectivity has gone which was a licensing round of 1994. Does he believe that the other legs, the fiscal programme, the geological side and also the political side went well?

The Honourable the Chief Executive:

Your Excellency, I clearly haven't made myself clear, in earlier answers I indicated that the legislation was unlikely to come to this House until early next year, I didn't say that there wouldn't be a licensing round beginning next year. That is still very much an aim that is in

peoples minds and we have been consulting on the basis of a licensing round beginning 1994 closing 1995, but there is many a slip. The key points that will lead to investment in the Falkland Islands Continental Shelf are of course legislation and regulations; those may have been delayed by some months. There needs to be consideration to a fiscal package, that will be critical, you have to give companies the opportunity to make money from their investment. The hydrocarbon prospectivity is more critical than anything else because unless that is in place, the other are really only window dressing. Now so far the signs are that the prospectivity from the data is very optimistic and very encouraging. There are of course important international aspects of this and they too become critical once the geological prospectivity is hardened up and Honourable Members are acutely aware of just how sensitive and difficult and what significant policy changes, they and others may have to consider to make this happen. The market competition remains unchanged and in my conclusions I advocate that there should be intensive marketing, of course we did the right think in promoting the continental shelf if may very well be that there will be need for even more intensive marketing just in case confidence is weakened in any way by misinterpretation of the signals that not bringing the legislation forward this year might send to people who don't fully understand how government works.

Question Number 4/93 by the Honourable K S Kilmartin:

Sir, would the Chief Executive advise what steps are being taken to draft the EC-Falklands fishery agreement and in what ways this will benefit the Falkland Islands?

The Honourable the Chief Executive:

Your Excellency, if I may take the second part of your question first. The benefits of a fishery agreement between the European Community and the Falklands Islands, were outlined in an Executive Council paper last October, and included a mix of economic and political benefits. Executive Council agreed that exploratory talks on a fisheries agreement should be initiated. However, I believe the most significant benefit anticipated from any potential agreement is the boost that it could give to the creation of a domestic fisheries sector in the Falkland Islands. At present all long term licences have been allocated to vessels operated as a result of some form of business arrangement between local companies and European partners. Many of these companies wish to take advantage of Community legislation and grants, which encourages Community-vessels to transfer to other countries. Whilst a number of applications have been made, there has been little success so far in these matters. A formal agreement would almost certainly allow for vessels to transfer at a faster pace. Additionally, if other Community agreements are anything to go by, there could be a package of measures which would assist in developing the fishery.

Turning to the first part of the question the impetus to achieve any fisheries agreement between the Community and another country has to come from the member states, and their boat-owners in particular. Falkland Islands Government has discussed the concept of a fisheries agreement with the associations representing the majority of European Community boat-owners operating in the FICZ. Those associations have generally welcomed the idea and have been active in promoting to their respective governments and to the Community directly. This Government has also been in direct contact with the Fisheries Directorate of the European Community. The Director of Fisheries is planning to meet Europeche in early June, and they may be influential in progressing the matter. In addition the Foreign and Commonwealth Office and the United Kingdom government department who would be involved in any negotiations, are active in arranging talks at an early date to draw up a negotiating mandate.

I would hope that substantive discussions may commence before the end of this financial year.

Question Number 5/93 by the Honourable K S Kilmartin:

Sir, could the Chief Executive report on:

- i) the progress of Camp Roads Construction;
- ii) the condition and location of FIG road plant;

iii) and the cost to date of the construction of Camp Roads;

The Honourable the Chief Executive:

Your Excellency, progress. Currently, four roads are under construction, the North Camp Road and the MPA to Newhaven Road on East Falkland, the Port Howard to Chartres Road and the Fox Bay Link Road on West Falkland.

The North Camp Road being constructed by PWD has reached to within 3 km of Teal Inlet having progressed 11 km in the 92/93 season which included a major crossing over the Malo River.

The MPA to Newhaven Road has reached just over half way at km 32, nearly to Darwin, and the contractor, PSA International, has withdrawn from the contract. A compensation package has been agreed in respect of payment for the building of the rest of the road to Newhaven.

On West Falkland, 9.6 km of rural road has been laid by Gordon Forbes Construction from Purvis Pond Airstrip to, and across, Green Hill Stream, and BT Construction have constructed 7½ km of rural road to link Fox Bay East to Fox Bay West.

Concerning the condition and location of plant:

Plant operated by PWD is currently in use in and around Stanley and its overall condition is good. Plant purchased for the West Falkland Rural Roads is currently being stored at Port Howard and its condition is very good. Plant received from PSA(I) as part of the compensation package is stored at Megabid, and, pending a full inspection, its overall condition is considered to be poor.

The costs to date of the construction of Camp Roads. In 92/93, £264,000 will have been spent by PWD on the North Camp Rural Road, £84,000 will have been spent on the Camp Link Tracks, and £300,000 will have been spent on West Falklands Rural Road, which of course doesn't include the £1 million of new plant.

Regarding the PSA(I) contract, final figures are not yet to hand and await the imminent issue of the Final Certificate, but the 32 km of road will cost £1.2 million, from which has been deducted some £240,000 for liquidated damages.

Further details can be supplied to Honourable Members by way of a written answer if more full details are required.

The Honourable K S Kilmartin:

Sir, I thank the Honourable the Chief Executive for that reply and yes more details will be required during the week. The one figure that might be of interest to Councillors is the comparative cost per kilometre for the different varieties of road building.

The Honourable the Chief Executive:

Yes of course.

Question Number 6/93 by the Honourable Mrs N Edwards:

In view of the likelihood of a budget surplus this year of some 4-5 or even 6 million pounds, can we now consider some compensation either monetary or by way of leave passages to Britain for example, to be offered to the people who have given sterling service to Government for many years and who were so abruptly dismissed due to budget cuts recently?

The Honourable the Financial Secretary:

Your Excellency, Executive Council approval has been given to improving the retirement

benefits for those retirees who may have received inequitable treatment as a result of the timing of the imposed retirement.

The Honourable Mrs N Edwards:

I thank you for that answer Financial Secretary and I am pleased to hear that that will be the case because I think these people were treated very shabbily.

Question Number 7/93 by the Honourable W R Luxton:

Would the Financial Secretary please confirm that the only valid reason for closing down FIGAS passenger operations for two days in every week is financial? If so, would he please detail exactly what savings have been achieved?

The Honourable the Financial Secretary:

Your Excellency, the reason for FIGAS flying five days per week during the winter months is primarily due to the reduced number of passengers requiring flights during this period. By limiting passenger operations to five days per week results in some operational efficiencies through a reduction in the total number of flights and the resultant increased passengers per flight which yields some savings. Ultimately therefore the reason is financial.

Over the brief period, 1st April to 25th May, a precise answer taking into account all of the variable is not available. However the following statistics may help to illustrate that some savings have been achieved.

Throughout this financial year to 25th May, a total of 7,318 passengers have flown with 1,034 being since 1st April. This equates to 22.2 and 18.8 passengers per day respectively. Based on actual flying days during April/May the daily average was 25.2 which compares with 34.6 during the peak month of January. The total flying hours to 25th May was 1,762 with 231 hours in April and May. This represents 4.2 and 4.5 passengers per hour respectively which compares with 4.6 in January and the maximum of 5.2 passengers per hour during march.

A previous analysis indicated that the variable costs of operating FIGAS were approximately £150 per hour of which £80 per hour was fuel. In making this calculation it was assumed that the majority of FIGAS's expenditures including labour were fixed with primarily fuel and spares associated with hourly based aircraft inspections being variable. Therefore to the extent that a reduced number of flights results in reduced wages or overtime, the £150 per flying hour is an underestimate. Based on an average flight consisting of approximately two flying hours, the savings in variable costs amounts to £300 per flight.

During the period 1st April to 25th May, there were 14 non flying days. During this period there were 41 flying days during which 116 flights were flown with a total of 231 flying hours. On average this was 2.8 flights per day. Had FIGAS been operational seven days per week, it can be assumed that there would have been a minimum of 1 flight per day or a total of 14 additional flights. The variable costs for these 14 flights would have totalled £4,200. Without considerable work which would never be definitive in any event, one cannot be certain as to the actual number of flights which would have taken place during those 14 days. Also had FIGAS flown a seven day week, the flying pattern during the remaining five days might have been affected as well. Consequently one is left to speculate on the number of flights which might have taken place and the resultant increased operating costs. However FIGAS and the Treasury are of the opinion that the total flights with a seven day schedule would have been greater than the 116 flights actually flown and the density per flight lower.

The breakdown of passengers for May is not yet available. However from 1st July 1992 to 30 April 1993, the total passengers flown was 6,925.

During April 37.9% of the flights were by military personnel and 19.2% were government sponsored flights. Had FIGAS operated a 7 day week, there is a low probability that the total number of passengers would have been any higher as a result. Using the maximum resident fare of £40 as the marginal revenue and a flight density of 4.5 passengers per hour or 8.9

passengers per flight yields a marginal return per flight of £356 as compared with the variable cost of £300. Ignoring the fact that approximately 25% of the fares would have been at the full fare, but assuming an average fare of £40, total revenue from the 1,034 passengers during April and May would be £41,360. This compares with total variable costs of £34,800 for 116 flights. On this basis the balancing of total revenue and marginal costs would have been 138 flights with no contribution towards labour and other fixed costs. The 138 flights would have represented an average of 1.6 flights per day for the extra 14 flying days or an overall average of 2.5 flights per day for the total 55 day period.

Any increase in the total number of flights will reduce the available contribution from each fare towards the overhead costs and increase FIGAS's overall deficit. FIGAS requires an average of 7½ passengers per flight to cover the variable costs which was not achieved during the months of July, August, September and October of 1992. I must thank Mr Richard Wagner for preparing this reply. It was obvious that he produced it and I do have a list of further statistics which I am not going to read out, but I can provide to Honourable Members for their information.

The Honourable W R Luxton:

Your Excellency, I suppose you could say I asked for that, but I do hope producing that answer didn't cause the Deputy Financial Secretary's computer to burst into flames. I would like to have a written copy of that if I may, if that is possible and perhaps all members would be able to have a copy before we get into that subject during the select committee.

I would ask whether, two other questions actually, supplementary's. Has a more flexible approach to non flying days been considered, by that I mean in view of the fact that most of the flights are local if there are no bookings then not flying, or only flying if there are an agreed minimum number of bookings, and the other one is whether staggered days off have been considered rather than having two consecutive days in the middle of the week, which is what really poses a lost of inconvenience to a lot of people?

The Honourable the Financial Secretary:

Your Excellency yes a flexible approach has been made and in fact flying has taken place on the Wednesday's and Thursday's and certainly there is a minimum number of passengers required before a flight is made generally. Certainly we can look to a more staggered flying approach perhaps and Councillor Edwards did mention earlier on whether or not 6 day flying could be introduced before October as a lead into the full tourist season so I think those matters could be given further consideration.

The Honourable Mrs N Edwards:

It is not really a question but thank you for your answer and I just wonder whether the answer provided has now used up the savings that FIGAS have realised in the last few weeks.

The Honourable the Financial Secretary:

Sir, the answer was prepared on the weekend and no overtime is being awarded.

Question Number 8/93 by the Honourable W R Luxton:

If the current financial support arrangement with Byron Marine finishes at the end of June, would Government please tell Council how it is proposed to continue to provide an affordable freight service to isolated Camp communities who have no alternative?

The Honourable the Financial Secretary:

Your Excellency, the current financial support to Byron Marine does not finish at the end of June. When Byron Marine was supported as the successor of Coastal Shipping Limited, it was envisaged that the initial arrangement would continue for a minimum of five years with periodic reviews. Subsequently a vessel was acquired through FIDC which is leased to Byron Marine on a continuing basis.

Provision was made in the 1992/93 Estimates for a subsidy payment to Byron Marine. Advance payments have been made to finance their cash-flow in order that immediate demands for payment of invoices by farms was not necessary. Based on Falkland Islands Government's financial year end being 30 June, and because Byron Marine was a new company, it was considered prudent to permit them to operate through the first wool season, to the end of Government's financial year before reviewing their actual financial performance and making recommendations for any necessary adjustments.

Preliminary information indicates that Byron Marine has been successful in operating within the financial parameters set over a year ago. In preparing the 1993/94 Budget, provision has been made for a subsidy to Byron Marine at a level similar to the past year and which is within their projections for next year.

Although FIG's financial support is ongoing, it is anticipated that recommendations will be made periodically in an attempt to rationalise the operation if and when necessary and make the coastal shipping service as efficient as possible in serving the needs of Camp communities.

The Honourable W R Luxton:

I thank the Financial Secretary for his reply, does that mean that we can assume subject to the agreement of this council that there will be no increase in general freight rates during the forthcoming season?

The Honourable the Financial Secretary:

There are no significant changes to freight rates, there are no significant changes planned I should say. At some stage it is planned that a complete reassessment of the freight rates structure will be required and that will come up for Executive Council approval and Standing Finance Committee at some stage. I would just like to mention that in 1992/93, in this financial year, the 9 months subsidy is £240,000 and in 1993/94 a twelve month subsidy is inserted at £300,000 and that assumes no changes to the freight rates.

ORDERS OF THE DAY - BILLS

The Appropriation 1993/94 Bill 1993

A Certificate of Urgency was laid on the Table in respect of this Bill.

The Financial Secretary:

Your Excellency, the purpose of this Bill is to appropriate and authorise the withdrawal of £29,850,620 from the consolidated fund for the service of the financial year commencing 1 July 1993.

In accordance with normal practise the Executive Council budget policy paper, the draft estimates and associated papers have been provided to Honourable Members to give them the opportunity of examining in detail the suggested level of public service activity, capital investment, and social and development assistance to be afforded by Government during 1993/94.

Before dealing with the detail of the 1993/94 estimates I will briefly review the 1992/93 financial year:

Operating Revenue was originally forecast at £38.5m, the revised estimate of revenue indicates that £35.2m will be received, a decrease of £3.3m which is mainly attributable to a decline in fisheries income of £4.2m, a decrease in public works income of £726,000, a decrease in revenue from direct taxation of £720,000 partly offset by an increase in investment income of £2.6m.

At this juncture it is appropriate to mention that during the course of the year a decrease of up

to £13.5m in fisheries income was forecast. A decrease of £4.2m therefore represents a considerable improvement for this financial year.

Operating expenditure was originally forecast at £22.8m. The revised estimate indicates that £20.8m will be expended, a decrease of £2m. The capital programme was approved at £16.7m the revised estimates indicates a spend of £12.7m a decrease of £4.1m. The considerable savings achieved in both operating and capital expenditure is mainly attributable to the recent budget review exercise.

Capital revenue is revised at £4.5m, this shows an increase of £1.8m over the original estimate. This increase can be attributed to the earlier than anticipated receipt of proceeds from the sale of the Dornier aircraft and the receipt of two year's allocation of EEC stabex monies in a lump sum. At this point of the review of the 1992/93 financial activities the estimated budget surplus amounts to £6.3m. To take advantage of the improved financial position it is proposed that £4m be transferred to the Old Age Pensions Equalisation Fund and £1.5m be transferred as an initial contribution to establish a new Special Fund for staff pensions.

The advice from the Government Actuary's department in London is that based on certain assumptions, the Old Age Pensions Equalisation Fund, after the proposed transfer, should be able to meet its obligations to benefits without the continuation of an annual subsidy from Government for approximately 25 years. The subsidy for 1992/93 amounted to £167,000 and was subject to annual increases based on benefit up-ratings.

Another obligation of equal importance that needs protection is that of retirement benefits for Government employees. A further transfer to the Staff Pensions Fund is proposed for 1993/94 in connection with a review of the Government Service Pension Scheme where actuarial advice is to be sought.

It is also proposed that a Statutory Sinking Fund be established for the replacement and renewal of high value assets.

An informal sinking fund provision already exists within the consolidated fund in respect of the Stanley power station and water supply assets and FIGAS aircraft and the balance amounted to £4.3m at 30th June 1992. The formalisation of this provision will not affect the general reserve balance of the consolidated fund.

Once the proposed fund transfers have been made the net effect will be an estimated overall surplus of £800,000 for retention in the consolidated fund which will increase the balance in Government's general reserves at 30 June 1993 to £50m.

A word of caution at this stage:

The 1992/93 financial year has brought new attention to and confirmed the fragile state of the Islands economy. We should not allow ourselves to become complacent as a result of our improved financial position achieved more by luck than good management. Luck has been kind to us but is no firm basis to build a future economy. The budget review trauma of recent months has caused previously accepted policies to be examined in a different light and a false sense of security has emerged. To keep our feet firmly on the ground the review of public expenditure and fiscal policy needs to be maintained in good times as well as bad. This will help to ensure that the public receives value for money from Government and that the most benefit possible accrues to the local economy.

The estimated balance of £50m in the consolidated fund at 30 June 1993 is the starting point for the 1993/94 budget.

Total operating revenue for 1993/94 is estimated at £28.5m and total operating expenditure is estimated at £18.8m this provides an operating surplus of £9.7m with capital revenue estimated at £2.4m, it is forecast that a sum of £12.1m will be available to finance a capital programme of £8m, a transfer of £0.5m to establish a contingencies fund and a further transfer of £2.5m to the Falkland Islands Government Staff Pension Fund. This would leave an estimated

overall surplus of £1.1m to increase the balance in reserves at 30 June 1994 to £51.1m.

First I will deal with the revenue side of the estimates and revenue proposals which are considered necessary to finance the proposed expenditure. I have already mentioned our dangerous dependence on a reduced level of fisheries income which is still relatively high in per capita terms. Income from fisheries is estimated to generate £15.4m. This represents 54% of total operating revenue of £28.5m and is £4.5m less than the reduced revised estimate for 1992/93. Due to a number of reasons such as collapse of stocks, poor prices and Argentine developments, professional advice indicates that it is possible that £10m will be the maximum income receivable by Government from the fishery. With this in mind every effort needs to be made to achieve a minimum budget surplus of £5m before the proposed fund transfers. This will help to avoid both the unpleasant actions that are a consequence of budget reviews and the introduction of further unpopular revenue measures.

Taxation and investment income are our other main revenue earners but it is forecast that reduced revenue will accrue from these sources also. The forecast reduction in taxation revenue is a direct result of the decline in economic activity and the reduction in investment income is due to low interest rates. It is estimated that income tax will produce around £2m compared to £2.9m received in the 1991/92 financial year. It is estimated that investment income will generate £4.2m compared with £4.8m received in 1991/92. The decrease in investment income would be much greater had our reserves not benefited by the budget surpluses over the years. Because the investment of our reserves is the second major source of revenue and foreign exchange to the Islands they are well worth protecting and increased on an annual basis to provide a greater return.

No changes to tax rates or allowances are proposed at this stage. The proposals submitted to Executive Council in the budget policy are to be referred to the tax review committee for further consideration. It is anticipated that the tax review committee's recommendations will be submitted to the next meeting of Executive Council and that the redrafting of the Income Tax Ordinance will be completed later this year.

As a more meaningful contribution to the cost of providing medical services it is proposed that the Medical Services Levy (MSL) be adjusted as follows over two years:

with effect from 1st January 1994 the employee contribution to be increased from 1% to 1½%; the employer and the self-employed contribution to remain at 1½%.

with effect from 1st January 1995 all three categories of contribution to be increased from 1½% to 2%.

By the financial year 1994/95 revenue from MSL is estimated to reach £450,000 per annum. With the net cost of medical services forecast at around £1.4m per annum MSL will represent only a token contribution. The balance of costs will need to continue to be met from other general revenues.

It is proposed that customs duty be increased on liquor products by 6% and on tobacco products by 20%. No increases were imposed last year. This should produce additional revenue of £50,000. The proposed increases would put an additional 30p on the price of a 75cl bottle of spirits and 11p on a packet of 20 cigarettes for example. A proposal to introduce lower rates of duty for spirits with a low alcohol content is the subject of the Customs (Amendment) Bill 1993.

It is proposed that an import duty on diesel, kerosene and petrol should be introduced at a rate of 3p per litre. This duty, after taking into account Government consumption of oil and electricity, would generate approximately £185,000 of additional revenue per annum. Subject to a complete review initial calculations indicate that 1p per unit would need to be added to the electricity tariff to recover the duty.

It is proposed that harbour dues, with the exception of yachts, be increased by 10% with effect from 1st January 1994. Harbour dues were last increased on 1st January 1990. A modest increase of 10% would produce additional revenue of £70,000 per annum.

It is proposed that vehicle licence fees be increased as follows with effect from 1st July 1993:

Trailers	from £4 to £6 per annum
Motorcycles	from £15 to £23 per annum
Light vehicles	from £36 to £54 per annum
Heavy vehicles	from £57 to £86 per annum

This would produce additional revenue of £18,000 per annum.

It is also proposed that a fee of £30 be introduced for each new registration and each subsequent registration of change in ownership of a motor vehicle. This would produce additional revenue in excess of £10,000 per year.

It is proposed that the annual licence fee for a firearm be increased from £5 to £25. This would produce new revenue of about £14,000 per annum. It is also proposed that the fee payable for subsequent changes of ownership be increased from £5 to £10. The new fees to be effective from 1 July 1993.

It is proposed that the following fees for intoxicating liquor licences, imposed under the licensing ordinance and increased last in 1978, be increased as follows with effect from 1st January 1994:

Wholesale licence	from £60 to £120 per annum
Retail licence	from £30 to £75 for six months
Club licence	from £20 to £50 per annum
Restaurant licence	from £10 to £30 for six months
Residential licence	from £30 to £60 for six months
Packet licence	from £20 to £50 per annum

Special Licence

- between midday and midnight from £3 to £7.50 per hour or part of an hour
- after midnight from £5 to £12.50 per hour or part of an hour

Occasional Licence

From £3 to £10 per day in respect of any place within 3 miles of a public house and from £2 to £5 per day in respect of any other place.

It is proposed that the fee for a banking licence be increased from £250 to £1,000 per annum with effect from 1 January 1994.

In accordance with the policy to promote home ownership and thereby reduce the subsidy in the area of housing a 25% increase in government house rent from 1 July 1993 should be proposed. However, in recognition of the reduction in earning capacity brought about by reduced public expenditure a concessionary 20% increase is proposed for this year on basic rentals for both Stanley and Fox Bay Village government housing. Rental on furniture and appliances to be reassessed. To provide inflation proof protection from the increase in rent to those tenants on exceptionally low incomes it is proposed that the allowances under the rebate scheme be increased by 4%. Rent rebates afforded by government for 1992/93 amount to around £25,000. After taking into account estimated house sales and additional rent rebates no increase in rental income is anticipated.

It is proposed, subject to the approval of the Standing Finance Committee, to increase Stanley rates by 10%. This is 6% above inflation and is a continuation of the policy to reduce the level of subsidy afforded by government on the cost of certain municipal and public services which the Standing Finance Committee has decided should be recovered by rates. Additional income of £22,000 will accrue in respect of the proposed increase.

It is proposed that the following charges levied by the Falkland Islands Government Air Service be increased with effect from 1st July 1993:

Passenger fares by 5%
Charter rate from £400 to £475 per hour

For the carriage of animals -

Dogs from £10 to £12.50
Sheep from £10 to £25

The fees for obtaining amateur radio licences have remained the same for the last 12 years. It is proposed that the annual fees be increased as follows with effect from 1st January 1994:

Amateur radio licence (the full licence) from £10 to £15
Special licence (for restricted bands) from £5 to £7.50

Increases in revenue charges are proposed for the following services provided by the education department:

meal charges at the school hostel for staff
boarding fees at the school hostel
sports facility charges
evening class fees
hire charges for classrooms and halls

This list is too long to be read out at this stage and the details are provided on pages 12, 13 and 14 of the budget policy paper.

The advertising rates at FIBS were last increased from 1 July 1991. It is proposed that the rate per word be increased from 12p to 15p with the minimum charge to be increased from £3.00 to £4.00 with effect from 1 July 1993.

It is proposed that the practise of keeping fees and charges for public services under constant review should continue. Regular and minor adjustments are more acceptable than the irregular and major variety.

The estimate of capital revenue of £2.4m includes £700,000 from the sale of houses and land mainly expected from sitting tenants under the approved scheme. Also included is £1.1m in respect of Government's anticipated share of revenue from the sale of seismic reports to oil companies. The oil industry, however, is also in difficult times economically and with the unhelpful interference of external politics this source of revenue is suspect.

Turning now to operating expenditure, the estimate for 1993/94 amounts to £18.8m and represents a 10% or £2m decrease over the revised estimate for 1992/93. The decrease in planned expenditure can be attributed to the targets set in the budget review process.

No provision for increases in salary or wages, beyond that for cost of living award adjustments for the hourly paid workers, is included in the estimates. The total payroll cost for all government employees is estimated at £6.4m, a further £800,000 is expected to be incurred in other staff costs bringing total staff costs to £7.2m or 38% of total operating expenditure. Included in the £6.4m payroll cost is £146,000 for overtime.

The cost of operating the vehicle fleet of government is estimated at £228,000 excluding any provision for replacement.

Internal transfers are estimated at £2.2m and refunds of revenue at £350,000; other recurrent expenditures are inserted at £8.6m.

The two largest items of expenditure under this general heading are for the charter fees for the fisheries protection vessels at £1.7m and £1.5m for fuel and lubricants for the whole of the

government machine which includes the fisheries protection vessels, the largest consumer, followed closely by the Stanley power station.

Other significant recurrent items include:

£423,000 provided for repairs and maintenance to major items of equipment;

£400,000 allocated to fisheries research;

£340,000 provided for payment to the Ministry of Defence in respect of sums due under the cost sharing arrangement for operating the joint civil/military medical and health service at the King Edward Memorial Hospital;

£316,000 for expenses in respect of students in receipt of further education overseas;

£106,000 for in-service training expenses in respect of government employees;

Insurance premiums are estimated to cost the government £238,000;

Provision for repairs and maintenance of government buildings is inserted at £130,000 and the maintenance of the MPA road is estimated at £86,000.

They are just some of the items of recurrent expenditure.

Turning now to pensions and social welfare payments. Pensions for retired public officers are now reviewed annually and provision is inserted for an approved 4% increase with effect from 1 July 1993.

Provision is inserted to support a proposal to increase Non-Contributory Old Age Pensions as follows with effect from 1 July 1993:

Married pension from £72 to £76 per week
Single pension from £51.50 to £54.50 per week

Under the Contributory Old Age Pensions scheme it is proposed that weekly benefits be increased as follows with effect from 1 July 1993:

Married pension from £83.50 to £88
Single pension from £53.50 to £56.50

It is interesting to note that the basic state retirement pensions in the United Kingdom are currently £89.80 per week for a married person and £56.10 per week for a single person.

The cost of Contributory Old Age Pensions is met from the Old Age Pensions Equalisations Fund. In order to maintain the value of the fund it is proposed, in accordance with actuarial advice, to increase contributions by approximately the same percentage as benefits as follows:

Self-employed from £12 to £12.70 per week
employer from £7.00 to £7.20 per week
employee from £4.80 to £5.10 per week

Due to the proposed transfer of £4m from the Consolidated Fund to the Old Age Pensions Equalisation Fund in this financial year no provision has been made for the continuation of an annual subsidy which currently amounts to £167,000.

Provision of £14,500 is inserted under the social welfare head of service in the estimates to enable a Christmas bonus to be paid to all old age pensioners again this year.

No provision is made for an increase in family allowances next year. At current rates it is estimated that family allowances will cost government £275,000.

£45,000 is allocated for the provision of welfare grants, an increase of 10% over the revised

estimate for 1992/93.

I now deal with the capital expenditure for 1993/94 inserted at £8m and funded from local revenues with the exception of £1.3m of EEC stabex monies. A much less ambitious capital works programme than recent years is provided but with a greatly reduced revenue base it is as much as can be sensibly planned at this time. The capital estimates are now shown under eleven cost centres and this can be summarised as follows:

Projects and capital asset purchases are allocated £4.2m, loans and investments are allocated £1.3m and transfer payments are allocated £2.5m.

The allocation of £4.2m for projects and capital asset purchases includes the following provision:

£1.6m for roads: this will provide for the construction of and refurbishment of new roads in Stanley, construction of roads in Camp on East and West Falklands, MPA road improvements and upgrading Camp jetties and tracks.

Housing is allocated £337,000 mainly for the construction of additional dwelling units.

Provision for construction and improvements to government buildings and land is inserted at £625,000. This includes £287,000 in respect of the final payment for the construction of the new senior school at an estimated total cost of £13.3m.

Municipal services are allocated capital expenditure of £1.2m:

this includes provision of £600,000 to commence a programme of utilising waste heat from the Stanley power station as an alternative and less expensive source of energy for consumption by the new senior school complex and hospital. The total project cost over two financial years is estimated at £1.3m with an economic payback period of 12 years. The commencement of the planned installation of three 150kw wind turbines at a total estimated cost of £560,000 is deferred to 1994/95 to allow for more detailed analysis and documentation on efficiency prior to commitment.

The municipal services cost centre also provides for services to new properties and electricity supply improvements.

Air transportation is allocated £40,000 for Camp airstrip improvements and for restoration works to Stanley Airport.

£143,000 is allocated for consultancy expenses in connection with hydrocarbons, pensions and taxation.

The £2.5m allocated to transfer payments includes provision of £900,000 for subsidies to be paid in respect of agricultural assistance and grants, the Media Trust, Museum and National Trust, Falklands Conservation and Byron Marine Limited.

£515,000 is inserted for FIDC general funding. This helps to support the FIDC budget for 1993/94 of £1¼m which allows the private sector to gain access to public funds of £900,000 for development purposes and the ultimate benefit of the economy. An allocation of EEC stabex monies is inserted for energy grants to camp and for an abattoir. £100,000 is inserted to allow a scheme to be developed for providing some means of assistance to the unemployed.

Also included in the draft capital estimates is provision of £3m in respect of fund transfers. £500,000 is allocated to establish a Contingencies Fund. The establishment of this fund with the proposed allocation is dependent on the enactment of the Finance and Audit (Amendment) Bill. £2½m is allocated to enable a further transfer to be made to the proposed new Special Fund for government staff pensions. Whether this allocation remains is subject to the enactment of the Special Funds Bill 1993.

The planned levels of expenditure I have just outlined can only be sustained if the forecast of

revenue is achieved. This is by no means certain on the present fragile base of fish and wool.

As mentioned last year our financial independence can only be sustained if the temptation of spending and committing more than we are able to afford can be avoided. Strict controls on public expenditure and financial prudence can help sustain our position. During these times of financial constraint expenditures on essential services and projects must be given priority over the purely desirable.

I am grateful to heads of departments for cooperating in the production of a balanced budget and to Treasury staff in assisting in the preparation of the draft estimates.

This, Sir, concludes my budget presentation and I beg to move the first reading of the Bill.

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

The Honourable H T Rowlands CBE:

Your Excellency, Honourable Members, I would first of all like to congratulate the Financial Secretary on his presentation of the Bill and I would also like to congratulate him and his staff on the work that is entailed in preparing the Estimates. I was also pleased to receive them in plenty of time this year and so we have already had plenty of time to consider much of the expenditure items.

The one thing that hits me at the moment is, I am willing to go along and I look forward to discussing with him and other heads of departments the proposals for increasing revenue, but the one thing that hits me at the moment which I cannot support and that is the proposed introduction of a tax on diesel, kerosene and petrol: I will strongly oppose that. The other items I certainly will consider. Thank you.

The Honourable Mrs Norma Edwards:

May I congratulate the Financial Secretary as well for providing us with plenty of information in plenty of time at a very difficult time for him, when he didn't really know what the financial situation was going to be.

Like the Honourable Councillor Rowlands I too feel that a levy on fuel is pretty horrendous and the other thing that I really cannot support are increases in FIGAS fares. The levy on fuel and an increase in FIGAS fares will hit the farming community extremely hard at a time when they can't possibly afford it, so I cannot support that, but the rest of his Bill I will give due consideration to. Thank you very much.

The Honourable W R Luxton:

Your Excellency, Honourable Members. It looks like the diesel tax is going down the tube, that is three against it for a start. I would very much be opposed to the introduction of the 3p a litre, but we shall what other Honourable Members feel in Select Committee.

I congratulate him on having the courage to put an extra 20% tax on the "tar spreaders," that is good news, it was proposed last year and thrown out, I wonder what will happen this year.

I would like to reiterate the point that I made earlier on, and when you look at the wording of the Bill for the Ordinance it says "the Financial Secretary may cause to be issued out of the Consolidated Fund and applied to the service of the year,". I do hope that having given this budget due consideration and when we come back from Select Committee having reached agreement, that that will be the year's budget and it can be considered in that light. And in the light that our revenue will always be uncertain, but that that is going to be the budget and we won't have a repetition of what happened before. Because we do have the money to cover that budget, even if the revenue is nil.

If the revenue is nil then the budget which the next Council will be considering at this time

will be drastically reduced, but let us make the decision to spend that money at this time and then give due consideration to the next year in the light of whatever the revenue is. Thank you Sir.

The Honourable G M Robson:

Your Excellency, I too thank the Financial Secretary for his presentation. I am just wondering do I detect beginnings of an inflationary spiral here, no doubt I am reiterating what other Councillors have said with fuel going up, the Financial Secretary already said that electricity would have to go up by about 1p per unit, with fuel going up freight would have to go up, if freight goes up, prices will go up, if prices go up, wages will go up and so it carries on, and for that reason I think it would be unwise for that particular tax to be applied. The only other thing I have always wondered about is the OAP contributions, whereby a self employed person has to bare the full brunt of everything, whilst employees and employers have a lesser amount to pay, and I just wonder if it would continue to stifle self employment in the Islands. Thank you Sir.

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

The President:

Good Morning, Councillor Edwards, Gentlemen, Honourable Members.

Well the first item is the report from the Select Committee on the Appropriation 1993/94 Bill, Financial Secretary do you wish to present this?

The Honourable the Financial Secretary:

Your Excellency, the Select Committee examined the revenue and expenditure proposals for the forthcoming financial year on Tuesday and Wednesday. Where it was considered necessary Heads of Departments attended to justify their budgets and provide additional information.

The details of the amendments made to the draft estimates will be circulated to all Honourable Members.

In summary the estimate for total revenue was increased by £200,000.

The estimate for total expenditure excluding fund transfers was increased by £1.2m.

This additional expenditure includes, under the operating budget: £50,000 provided for productive overtime to be earned by the hourly paid employees of the Public Works Department; £26,000 for the Falkland Islands Defence Force, mainly for the purchase of uniforms, equipment and weapons; £20,000 for the employment of a second Dentist for six months of the year; £100,000 for medical treatment overseas; £28,000 for the Philatelic Bureau.

Under transfer payments an additional £250,000 is provided for agricultural assistance. Subject to Executive Council approval this would now allow up to a further £500,000 to be paid to the farming community to assist their businesses during this extended period of extremely low wool prices. Total assistance paid from financial year 1990/91 to date amounts to £2.3m. It should not be forgotten, however, that up to 1986 the Islands economy was almost wholly dependent on sheep farming. Even today, despite the low wool prices, about £2.5m of badly needed foreign exchange is injected into our economy from wool sale proceeds.

Under capital expenditure a further £600,000 was allocated to the MPA/Darwin road and funds were reallocated from Town Hall improvements to enable basic services to be provided at the ex fisheries housing estate at a faster pace than previously planned. The Town Hall improvements are deferred until 1994/95).

The proposed establishment of a pensions fund to provide the funding requirement for retirement benefits for government employees was not approved. Consequently the proposed financial transfers have been removed from the draft estimates.

As a result of the amendments made in Select Committee the reserves at 30th June 1993 are now estimated to reach £52m and, provided £15m worth of fishing licences are sold and the proceeds are received, the overall surplus for 1993/94 is estimated at £2.6m.

The increases proposed in Old Age Pension Benefits and Contributions were approved and will be dealt with in detail under the appropriate Bills. In response to Honourable Members concern on the revised level of contributions, particularly for the self-employed, I can report that, in cases of financial hardship, assistance for the payment of contributions is available upon application to the Old Age Pensions Board of Management. Contributors earning less than £4,280 per year can apply for such assistance. I am pleased to report that the proposed transfer of £4m from the Consolidated Fund to the Old Age Pensions Equalisation Fund was approved. This will allow the obligation to Old Age Pension Benefits to be met by the fund for approximately 25 years independent of an annual subsidy from Government.

I now turn to the revenue proposals.

The Committee did not approve the proposed introduction of an import tax on petroleum products. The proposed increase in amateur radio licence fees was not approved.

The proposed increases in FIGAS charges were approved with the exception of the fee for the carriage of sheep which was increased the same as for dogs to £12.50 and not £25 as proposed.

The proposed increases in import duty on tobacco products and spirits were approved and a resolution follows to bring the revised rates into effect. The proposed increases in house rents, Stanley rates, and FIBS advertising rates were approved with effect from 1st July 1993. The Committee approved the proposed increase in vehicle licence fees with effect from 1st July 1993. A Bill follows to deal with this increase. Because new legislation needs to be introduced to impose the proposed registration fees a draft Bill will need to be referred to Executive Council.

It was agreed that the proposed increases in harbour dues, medical services levy, firearms licence fees, intoxicating liquor licence fees and banking licence fees should come into effect on 1st January 1994. The legislation to impose these increases will need to be referred to Executive Council.

It was agreed that the meal charges at the Stanley School Hostel for staff and the hire of rooms and halls at the schools and Stanley House should be increased as proposed with effect from 1st July 1993. The proposed increases in boarding fees at the School Hostel were approved from the first term 1994 as follows:

Full board per first and second child from £68 to £72 per term;

Weekly board per first and second child from £48 to £50 per term;

Third and subsequent children to remain free of charge.

It was agreed that the charges for the use of the sports facilities at the Falkland Islands Community School should be increased with effect from 1st January 1994 as proposed. It was also agreed that evening class fees should be increased from 1st January 1994. The list of the revised charges will be published and will be available from the education department in due course.

That, Sir, concludes my report on the Select Committee proceedings on the Appropriation Bill 1993.

In the Committee stage clause 1 was adopted as part of the Bill

The Honourable the Financial Secretary:

I beg to move that the schedule, as amended, stands part of the Bill with the following amendments:

Head 150	-	Post and Telecommunications: substitute £361,180 for £330,420
Head 200	-	Medical and Dental: substitute £1,975,920 for £1,837,560
Head 250	-	Education and Training: substitute £1,847,750 for £1,844,450
Head 300	-	Customs and Immigration: substitute £128,390 for £126,990
Head 320	-	Fisheries: substitute: £4,704,490 for £4,769,990
Head 350	-	Public Works: substitute: £3,845,390 for £3,784,890
Head 500	-	Falkland Islands Defence Force: substitute £157,260 for £130,850
Head 550	-	Police, Fire and Rescue: substitute £478,480 for £477,490
Head 600	-	Secretariat, Treasury, Central Stores, Broadcasting etc: substitute £1,705,710 for £1,696,750

Total operating budget substitute £19,005,190 for £18,800,010;

Head 950 - Capital Expenditure substitute £9,579,710 for £11,050,610
Total expenditure - substitute £28,584,900 for £29,850,620;

The Schedule as amended was adopted as part of the Bill

The Honourable the Financial Secretary:

I beg to move that clause 2 stands part of the Bill with the following amendment:

Substitute £28,584,900 for £29,850,620.

Clause 2 as amended was adopted as part of the Bill. Council resumed. The Bill was read a third time and passed.

Motion by the Honourable the Financial Secretary:

The Customs (Amendment of Import Duties) Resolution 1993

The Honourable the Financial Secretary:

Your Excellency, this Resolution will bring into force with effect from Monday 7th June the increases in duty proposed in the budget. The revised rates are as follows:

Beer from 17p to 18p per litre
Wines from 44p to 47p per litre
Fortified wines from 54p to 57p per litre

The new category of spirituous beverage is introduced at £3.88 per litre.

Spirits from £6.66 to £7.06 per litre

Spirituous beverage of £3.88 per litre represents 55% of the spirit rate;

Cigars from £49.75 to £59.70 per kilo;
Cigarettes from £35.98 to £43.13 per kilo;
Tobacco from £32.70 to £39.24 per kilo;

The Resolution was adopted.

Council adjourned

ORDERS OF THE DAY - BILLS

The Old Age Pensions (Amendment) Bill 1993

The Honourable the Financial Secretary:

Your Excellency, this Bill which is presented under a Certificate of Urgency brings into effect the proposed increases in Old Age Pensions Benefits, and increases the rates of contribution as proposed in the budget. I beg to move the first reading of the Bill.

The Bill was read a first and second time. In the Committee stage clauses 1-4 and the schedule were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

The Non-Contributory Old Age Pensions (Amendment) Bill 1993

The Honourable the Financial Secretary:

Your Excellency, this Bill like the previous Bill introduces the revised rates of Non-contributory Old Age Pension proposed in the budget. I beg to move the first reading of the Bill.

The Bill was read a first and second time. In the Committee stage clauses 1-3 and the schedule were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

The Finance and Audit (Amendment) Bill 1993

The Honourable the Financial Secretary:

Your Excellency, the Finance and Audit (Amendment) Bill makes provision for the establishment of a Contingencies Fund and the amount of transfer from the Consolidated Fund is presently limited to one half percent of the total sums appropriated relating to the proceeding financial year. This Bill would increase that limit to two percent of the total sums appropriated in relation to the previous year. I beg to move the first reading of the Bill.

The Bill was read a first and second time. In the Committee stage clauses 1 and 2 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

The Special Funds Bill 1993

The Honourable the Financial Secretary:

Your Excellency, the Special Funds Bill proposes or provides for the establishment of a Sinking Fund and the establishment of a Falkland Islands Government Pensions Fund. The establishment of the Sinking Fund was agreed in Select Committee but the establishment of a Falkland Islands Government Pensions Fund was not agreed and I will be proposing an amendment during the Committee stage. In relation to the Sinking Fund, the purpose of that is to provide a statutory fund separate from the Consolidated Fund to provide for the replacement of high value assets. I beg to move the first reading of the Bill.

The Bill was read a first and second time.

The Attorney General:

Your Excellency, it may assist Honourable Members and the Financial Secretary if I indicate at this stage the amendments that will be required because of the decision that the Falkland Islands Government Pensions Fund will not be established. I will go through the various amendments and invite the Financial Secretary to so move.

In clause 2 of the Bill amendments will be required and it will be necessary to amend it to read as follows:

"there is hereby established the Sinking Fund, which shall be a special fund for the purposes of sections 29 and 30 of the Finance and Audit Ordinance 1988."

Subsection, or subclauses, or clauses, subclauses 4 to 6 inclusive of clause 3 will need to be deleted.

In clause 4 the words "all of the Falkland Islands Government Pension Fund" should be deleted. The aims and objects do not, of course, form part of the Bill and amendments would be necessary to the aims and objects. Nor do the marginal notes form part of the Bill, for consideration by the House, but it would be my intention in relation to the printed Ordinance that the words in the marginal note to section 2 would be altered to read: "establishment of the Sinking Fund special provisions as to the Fund" and I invite the Financial Secretary to move the amendments of the Bill that I have just indicated.

The Honourable the Financial Secretary:

I beg to move the amendments to the Bill as indicated by the Attorney General.

In the Committee stage the amended clauses 1-6 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

Supplementary Appropriation 1991/92 Bill 1993

The Honourable the Financial Secretary:

Your Excellency, this Bill is to provide for supplementary expenditure approved by the Standing Finance Committee during the period 24th October 1991 to 20th August 1992 in relation to the financial year which ended on the 30th June 1992. I beg to move the first reading of the Bill.

The Bill was read a first and second time. In the Committee stage clauses 1 and 2 and the schedule were adopted as part of the Bill. Council resumed. The Bill was read a third time and passed.

The Supplementary Appropriation 1992/93 Bill 1993

The Honourable the Financial Secretary:

Your Excellency, this Bill provides the appropriation of up to £4m to be withdrawn from the Consolidated Fund in this financial year for transfer to the Old Age Pensions Equalisation Fund as proposed in my budget presentation. I beg to move the first reading of this Bill.

The Bill was read a first and second time. In the Committee stage clauses 1 and 2 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

The Marriage (Amendment) Bill 1993

The Honourable the Financial Secretary:

Your Excellency, the purpose of this Bill is to increase the statutory fees payable under the Marriage Ordinance and for the new fees to come into force on 1 July 1993. I beg to move the first reading of the Bill.

The Bill was read a first and second time. In the Committee stage clauses 1 and 2 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and

passed.

The Control of Drinking by Juveniles Bill 1993

The Honourable the Chief Executive:

Your Excellency, the purpose of this Bill is to provide law which will address the matter of persons under the age of 18 consuming alcohol in the street and in other public places, that it may be brought under control. The Bill doesn't seek to amend the Licensing Ordinance because it is believed that the sale and supply of intoxicating liquor to juveniles upon licensed premises is adequately controlled. No provision of the Licensing Order can however safely be interpreted of having the effect of preventing the supply to, possession of and consumption by juveniles of intoxicating liquor anywhere else, but on licensed premises. Therefore, if it is wished to control such supply, possession and consumption, law would be needed to be enacted for that purpose. I beg to move the first reading of the Bill.

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

The Honourable G M Robson:

Your Excellency, I cannot support this Bill in its present form. Whilst I have no argument with the principals involved I cannot agree to section 8 whereby a Police Officer may stop and search any person that he believes may be carrying intoxicating liquor. I have always had a problem with the wording of these sections, and particularly "reasonably", which I find a very odd word and could be used, could be abused and I just cannot believe that this is absolutely necessary.

The President:

Yes, I think this question was discussed in Executive Council, I don't know if the Attorney General would like to comment?

The Attorney General:

Your Excellency, the difficulty in relation to any provision of law of any kind which creates a prohibition is the enforcement of that prohibition. The Bill would be, or any law on this matter would be completely pointless unless satisfactory means of enforcing it were provided. I am as cognizant of the desirability of not providing draconian powers interfering with civil liberties as everybody else is, and indeed I regard that as a very important matter.

In relation to clause 8 I would point out that what it means is this, a Police Officer in uniform, not a Police Officer in plain clothes, if he reasonably suspects now the Courts are perfectly capable of interpreting what reasonably means he has to have some good cause, he can't just stop anybody on the basis he might be carrying alcohol, or a young person might be carrying alcohol, he has to have some good and substantial reason, that is what reasonably means there. If he has that suspicion the effect of clause 8 is to enable him, and that is of course if clause 8(1) were enacted, to satisfy him, that is the Police Officer, that he is not a juvenile; that is to say that the person concerned is not under 18, reasonably to satisfy him that he is not a juvenile. Well clearly if one saw a person wearing a beard, and obviously showing the signs of middle age, you would hardly stop them, and in this place it is reasonably apparent as to whether a person is likely to be under the age of 18 or not. But if a person who may look to be under 18 is stopped by a Police Officer, because the Police Officer reasonably supposes that he has got alcohol in his possession, and the reasonably supposing maybe that he has an open bottle of beer in his hand and he is just about to drink it. That would be a plain and obvious case, he can then say, "hey, look I think you are a juvenile, are you over 18?" and the juvenile says "yes I am and what's more here is my driving licence". All right the Police Officer has to stop there, if he is satisfied from the driving licence and the time it was issued, because a driving licence can only be issued to somebody over 17 years of age. That the driving licence was issued 3 years ago then clearly the person must be 20:

reasonably satisfied.

Then the next part is reasonably satisfy him, and that is on the basis that the person is believed by the Police Officer to be a juvenile that he has no intoxicating liquor in his possession. Well: bulging coat; bottle hidden under the coat, "open your coat and show me" the fellow says "no", "why won't you if you haven't got alcohol?" plain common sense, and the Police Officer may then reasonably suspect that he has got intoxicating liquor and the juvenile hasn't cooperated in answer to perfectly sensible straight forward questions and in those circumstances and those circumstances only, he can arrest him. He can't search him on the street, he can't, and he doesn't. There is no power in the Bill to search in a public place, he can arrest him and he can take him to the Police Station. There under the general law, there under the general law relating to criminal offences, under the Criminal Justice Ordinance, there the person arrested can be searched.

Now the point I would make, very simply is this, if you don't have clause 8 in that Bill, or something similar to it, and I have tried to draft it in a way as sensitive to issues of public liberty as it can possibly be drafted, how please are the Police Officers to enforce the law? That is the problem. Quite frankly I would say to the House without enforcement provisions of this kind and I have taken particular care in the drafting of clause 8(1) to go as far in the direction of civil liberties as it is possible to go, and to prevent a draconian abuse of power. I accept that it is important that there shall not be unreasonable hassle and that the powers conferred for specific legal purposes should not be abused. As I say clause 8 goes as far in that direction as it is possible to go. If there is no such provision then quite frankly the House would be wasting its time; it will not be tackling the problem, that is what I would say to them.

The Honourable W R Luxton:

Your Excellency, Honourable Members, I share Councillor Robson's reservations on this clause, and reading it as it is printed I cannot see that the Police Officer is obliged to take the person to the Police Station; to me it reads that he may arrest that person and seize anything in that persons possession at the time of such arrest.

I could go along with it if the Police Officer was obliged to escort that person to a Police Station and conduct the search there. But if there is any possibility of a stop and search operation of young people, on the street, in a public place, I also cannot support it.

The Attorney General:

Your Excellency, I can address that question straight away. Under the Criminal Justice Ordinance 1989 on arresting a person for an offence this is the general law in relation to all criminal offences the Police Officer is obliged, by law, to take the person to the Police Station. A person will be therefore under the Criminal Justice Ordinance 1989, be taken to the Police Station. There is no such provision in section 8, simply because it is unnecessary for it to appear in clause 8 of the Bill as the general law requires it, under the Criminal Justice Ordinance 1989. Those are provisions which are equivalent to what people watching the "Bill" will know as PACE provisions and which will be particularly designed to give rights and obligations, give rights to persons who are in trouble and to impose obligations on the Police to give effect to human rights considerations. In other words the human rights provisions of the Criminal Justice Ordinance 1989 will require the person arrested under clause 8, should it be enacted, to be taken to the Police Station.

The Honourable K S Kilmartin:

Sir, I believe that this Bill was discussed at length in Executive Council and I believe that full cognizance was taken of the matter of civil liberties. My understanding of this Bill and the reason why I am prepared to vote for it today is that this Bill applies to only public places, and that the rights of persons to do what they wish with regard to their children in their homes, at private functions is untouched.

The Attorney General:

The Councillor is correct.

The Honourable T J Peck MBE CPM:

Your Excellency, I also express my reservations like Councillor Luxton and Robson. Reading this clause, to me, the Attorney General mentioned the Criminal Justice's Ordinance 1989. Am I lead to believe that when an Officer affects an arrest that he is not permitted in any circumstances to carry out a search of that person in a public place or anywhere? If so how can they prevent any possible offender from getting rid of incriminating evidence? They have to search to prevent that from happening: it can be drugs, it can be weapons, it could be anything they would rid themselves of. If an Officer was 5 miles away from his Station on foot, that would give a possible offender an opportunity to get rid of anything during that long tab back to the headquarters. This clause to me makes it absolutely clear that the Officer affecting the arrest can carry out that the search there and then in a public place, and I would think that the Members concerns are right. I am supporting the Bill because as a member of the Police Advisory Committee, I have spoken with the Chief Police Officer and other Officers in the force and they find they can live with this legislation without clause 8(1). Thank you Sir.

The Attorney General:

Sir, it is not as a matter of law correct that there is a general search power conferred upon Police Officers in the Falkland Islands. There are not in the provisions of the Falkland Islands law the general stop and search powers which appear in English legislation, and they don't appear, this is why I am referring to the general stop and search powers because a policy decision was taken which became the Criminal Justice Ordinance 1989. That in the circumstances of the Falkland Islands that was unnecessary. However, there are search powers where they are specifically conferred. This section does not confer powers to search in a public place. So what I am saying is there is no power under clause 8(1) to conduct a search in a public place. The fact that that is so is deliberate, but as I have said on arrest and on being taken to the Police Station the person can, if necessary be searched there. That is the position. I think that there is some confusion on this point so I will emphasise it yet again. A decision was taken at the time of the enactment of the Criminal Justice Ordinance 1989, that there should be no power for the Police to undertake a search in a public place or anywhere outside the Police Station, unless that power was specifically conferred in relation to the provision in question.

Now there are examples of such provisions, for example, you would find that such provisions apply in relation to certain drug offences; clearly, clearly in relation to drug offences those provisions are necessary and justifiable. The reason why clause 8(1) does not confer a power of search, is of course, because Honourable Members on discussion of the matter in Executive Council, considered that it would not be justified to have a power of search in a public place in relation to this offence, having said that I will say no more on this subject.

The Honourable W R Luxton:

Your Excellency, I am prepared to accept the Attorney General's categoric assurance on that.

The President:

Thank you. Does any other Councillor wish to comment? Councillor Robson are you happy with the assurances of the Attorney General that there isn't a power to search?

The Honourable G M Robson:

No Sir, I am not.

The President:

But, where is the power to search?

The Honourable G M Robson:

I find it very difficult to, under this clause 8(1) that if an Officer may arrest that person and seize anything he reasonably believes to be intoxicating liquor he finds to be in that persons possession at the time of such arrest, to seize it he has got to search the person. If someone puts it straight in his pocket he cannot seize it, so therefore he is going to have to search him. I think that the 3(1) "subject to this section it is unlawful for a juvenile to be in possession in a public place of intoxicating liquor in any quantity whatsoever", it covers everything. If a juvenile is seen with intoxicating liquor he is breaking the law and therefore can be arrested. But I do not like the suspect, reasonably suspect, I just cannot support that.

The Attorney General:

Sir, can I explain what is involved here? An illustration may assist. It is known that on many occasions intoxicating liquor has been carried by juveniles in what I will describe as informal containers, including such things as coffee jars. A juvenile may well be seen drinking out of a coffee jar, it will have Maxwell House or something like that round the coffee jar. I have myself found coffee jars and things like them with intoxicating liquor in them after a function at the weekend.

The Honourable K S Kilmartin:

I am amazed at the inventiveness of the close relations of the Attorney General.

The Attorney General:

I don't think it was my relations who done that, I found these things in public places. Nevertheless the point I would make is this:

Imagine that situation, its 9 or 10 o'clock in the evening in Ross Road Stanley, there are a group of juveniles standing around and they are drinking out of things which don't conveniently have Carlsberg Lager round the outside which the Police Officer can read. A Police Officer comes up and says "are you drinking?" and the juvenile puts the container under his coat, the Police Officer can't be sure; it might have been lemonade in the Maxwell House jar all right, it might, prove that it wasn't. Now he can't then, because there is no search power, and this is the point, search the juvenile under his coat, if the juvenile has the thing in his hand, he doesn't have to search him to seize it, but he can't seize it, and this is the point, if he has to in effect search him to do so. In a lot of occasions the juvenile won't be carrying it under his coat and then it can be seized. That is how the section works.

The President:

So he cannot be searched?

The Attorney General:

He cannot be searched in a public place, he would have to be arrested and taken to the Police Station, that is what I have drawn attention to.

The Honourable K S Kilmartin:

Sir it does occur to me that in no circumstances a Police Officer would reasonably form the opinion that the youth might be concealing drugs and therefore search him on the spot.

The Attorney General:

I hope I can hold my learned friend to that when a similar case comes before the Magistrates Court.

The President:

Yes it seems to me that the Attorney General has tried to draft this so that it does not give the right of search, he has deliberately tried to avoid it being unnecessarily draconian. Are there any more observations on this point? Good.

The Bill was read a second time.

The Attorney General:

In clause 7 Sir, can I correct a typographical error, somehow the last three words of the words "liable to" and they have run together somehow, in block capitals those of course need to be altered to lower case and the words "liable and to" need to be separated, they are two separate words.

In clause 8(2)(c) the words "subsection 4; and" should be in fact subsection 3 "instead of 4" and the word "and" should in fact be "or".

In the Committee stage clauses 1-9 as amended were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

The Customs (Amendment) Bill 1993

(A Certificate of Urgency was laid on the Table)

The Honourable the Financial Secretary:

Your Excellency, the principal purposes of this Bill are to increase the categories of alcohol for duty purposes. The reason for doing this is that a number of alcoholic drinks are at present dutiable as spirits although they have a far lower alcohol content, thus a bottle of mineral water mixed with spirits under the present law will attract the same duty as the same size bottle of spirits. Equally under the present law a low strength liquor or cocktail drink containing a mixture of potable ingredients including some spirits will do so even though it contains no more alcohol than beer may contain. The Customs Resolution that follows introduces a rate of duty for a low strength spirit at 55% of the full rate. The low strength spirit or spirituous beverage as stipulated in the Ordinance is a liquor which does not contain more than 22% alcohol by volume. This would include liquors such as Baileys Irish Cream for example and mix a drink such as Gin and Tonic. I beg to move the first reading of the Bill.

The Bill was read a first and second time. In the Committee stage clauses 1-4 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

The Building Control Bill 1993

The Honourable the Chief Executive:

Your Excellency this is a Bill for an Ordinance to make improved provision as to the control of the erection and construction, drainage and other servicing of buildings and structures and alterations of and additions to buildings and structures and for connected purposes. The matter was considered at the May meeting of Executive Council and authority was given to introducing the Building Control Bill. The purpose would be to enable a Building Code that will be incorporated in Building Regulations to be made to replace the existing Building Bylaws under the Public Health Ordinance. Executive Council has not yet approved the draft Building Code but has asked that it be published so that the public has the opportunity of commenting on it. It is emphasised that it doesn't follow that the Building Code in exactly the form published in the supplement to this Bill would be made if this Building Control Bill 1993 were to be enacted. Changes may very well be made in the Code as a result of comments on the draft as it is now published. We are being asked to address the Bill in itself and the draft of the local Building Code as amended and revised is being published for public participation and comment. Your Excellency I beg to move the first reading of the Bill.

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

The Honourable W R Luxton:

Your Excellency, Honourable Members, I understand that several Members have reservations about this Bill, I understand of course that the Bill is just an enabling Bill but I have reservations about the scope of its application anyway. The local draft Building Code, I am afraid, I find completely unintelligible. It may be said that it is only supposed to be understood by experts, but I do feel that these sort of things should be written in plain English, and of course if this is to apply to the Camp, in many cases we ordinary people are going to have to implement it, and if you don't understand it you can't implement it.

Also I have serious reservations as to whether the thing should be applied entirely to the Camp, I think it may be totally impractical and bring building in Camp to a halt, even if it doesn't bring it to a halt in Stanley. So I feel, Sir that we should ask for it to be held over and perhaps have another look at it having had time to think about it.

The President:

Sorry Councillor when you say it should be held over do you mean the Code or the Bill?

The Honourable W R Luxton:

The Bill, Sir.

The Honourable Mrs Norma Edwards:

Yes Sir, I have grave reservations as my Honourable friend on the left here. I think it would be unenforceable in Camp anyway because you would have to have somebody nipping out constantly to have a look to see whether the building was proceeding according to this Bill, which doesn't seem practical to me and as we have been building here for the last 160 odd years and I must say that I don't know of any Falkland Islands houses that have fallen down, they mightn't be perfect, I have seen a few roofs and things blown off from kit houses and so on, but the old Falkland Island houses seem to stand up pretty well and I really feel that this is a legislation for UK, not for the Falklands. We need something much more simple, and written in plain Falkland Island English. I cannot support it Sir, I would like to see it go perhaps to Select Committee.

The President:

Can I ask Councillor when you say it again you mean the Bill not the Code?

The Honourable Mrs Norma Edwards:

I mean the Bill not the Code.

The Attorney General:

I think it is the code that you will find The Honourable Member doesn't think is in English and not the Bill.

The Honourable Mrs Norma Edwards:

I don't think any of it particularly pertains to us in our simple way, I think it is all a bit too complicated.

The Honourable K S Kilmartin:

Sir, could I support the two Camp Councillors, as a Camp Councillor and say that if it is to

apply to Camp it certainly needs far more consideration. There is a doubt that it should apply to Camp at all, in these circumstances I would support Councillor Edwards that the Bill itself goes to Committee and this will give more time for everybody to actually look at the Code as well.

The Honourable G P Short:

..... did have was a query over the Code. I think Councillor Kilmartin's idea of taking the Bill to a Select Committee is a good idea I will raise my queries there.

The Attorney General:

Your Excellency, I was aware that Honourable Members had reservations I think in particular in relation to the Code, I must say I have some sympathy with the remarks made in relation to the Code. The Code is difficult to understand and it refers to documents such as the British Standards Requirements which are not set out in the Code. I would be hard put to explain in plain English what the Code means, because it does deal with difficult matters and on this occasion I was unable to draft the Building Code and it has been drafted, and I will point out considered, debated upon and explained at great length by technical officers who were responsible for the drafting of the Code, to the Planning and Building Committee as I think the Honourable Member who is the Chairman of that Committee would acknowledge. I don't think in fact, and I am assured because I took very much the points that the Honourable Members are taking, that the Code would impose draconian obligations. I am assured that it would not, but then I am not a technical person in these respects. I wouldn't know what "watts of conduction" would be in relation to insulation, I couldn't begin to explain.

If the Bill is deferred, however, I would suggest to the House that it would not be sensible to remit it to a Select Committee, and the reason for that is this: Legislative Council is due, as Honourable Members are aware to be dissolved within a few months, a precise date remains to be seen. In Parliamentary terms any Bill which is not enacted, and which is before the House now either in Select Committee or otherwise, which is not enacted before the dissolution of the Legislative Council, will in Parliamentary terms figure in what Westminster calls the "slaughter of the innocence". That means the Bill will be dead. It will have to be re-introduced, therefore were it desired to proceed with it, by the new Council, as a completely fresh Bill, and if it were done this year it would be the Building Control No: 2 Bill, although it might be exactly the same terms as the present Bill. If Councillors were to refer the Bill to a Select Committee and sit before the dissolution of the Legislative Council, they would be wasting their time because the Bill would have to be re-introduced in the new Council after the dissolution. So that what I am in effect suggesting is that if a considerable number of Councillors, and it would seem that there are a considerable number of Councillors who are unhappy that the Bill should be enacted today. If that is the case then I suggest we proceed no further with it and that the best course would be for the Honourable the Chief Executive to so indicate and we need trouble with it no more on this occasion.

The Honourable T J Peck MBE CPM:

As Chairman of the Planning and Building Committee Sir, and also having chaired the working group on setting up this Codes of Practise. I think Honourable Members have all lost sight of the instructions that we were, or directions that we were given to carry out the whole exercise. It was through Council and not through individual officers in the Administration.

Any rate, much hard work has been carried out, during these last few days Members of this Council have read a report from the Health and Safety at Work Committee. They have, I trust, have all read it, and they have listened to the concerns of responsible Government officers about the number of Government buildings which are a fire hazard. They have this week had to approve funding to carry out the urgent and long overdue repairs to these buildings because one of these days we are going to lose the lives of more people. Purely by negligence and lack of understanding about the problems that we have in these areas.

The Codes of Practise are there to prevent this from happening in the future, I have been at some of the cook houses on the farms, some of the lodges today, they are fire hazards and

death traps. You have tourists from all over the world who are accommodated in some of these lodges and other properties on the farms; some of the farms are taking or receiving a good income from that. But I doubt that they would have any recourse or be able to afford to pay the damages should any of those tourists be injured or even killed as a result of not taking the most basic precautions in fire safety for a start.

Sometimes my colleagues leave me cold and wondering, they have had this draft before them on two other occasions; it has been condensed as they requested. This week I have been told again we haven't had time to read it all through, or I don't understand some of it. I as a colleague and a Chairman, not one of my colleagues have ever asked me to give them an explanation about anything. I find it difficult. It is there, we have buildings in Stanley, we have got the Jersey Estate, that is a fire hazard. We have got the Brewster Chalets, they are also a death trap with their upstairs floor. One only has to go round this town and see. None of the Codes are draconian: they are absolutely basic requirements. Most of the builders that we have today are already using the standards which we have proposed.

The Benny house, right, may not be the most glamorous and I quite agree with Councillor Edwards I have only known of one to have the roof blow away in a 100 mile an hour gale. But it doesn't put them all right, as I have said the houses that are being built today by local companies they are following these practises already; it is not costing the customer more, in fact it is probably costing them less in the long term, because if the insulation, double glazing etc; that is a great cost saver. But I understand I have said enough on this but I think what the Attorney General has said is the only course left regarding this Bill. I trust that it will not be lost sight of following the October elections by a newly elected Government. Thank you Sir.

The Honourable the Chief Executive:

Your Excellency, I find that I am in agreement with a great deal of what has been said this morning, but we are always conscious for the need of things to be Falkland friendly and not only is there British emphasis, very clear in this Bill, but the very worrying European connotations are starting to emerge. There are Greek words like "poly-carbonate", Italian words "terrazzo", French words "Maisonette" and even the military are starting to exert their input with "parapet", I imagine that must be some sort of small horse.

Those things aside and they are all concluded, they are all included in the draft Building Code which you are not being asked to approve. We don't want you to approve that, we want the public in Camp and Town to read it, to understand it, to contribute to it, to change it into English. We have a Chamber of Commerce now that will have a group of people who will specialise in this and would want to change it, into a way which they can understand. Local people, they can work on the Building Code, now the revised Code that we have got in front of us is considerably more readable than the first one that we saw. But you are going to bring all that work that is already been done to a shuddering halt if we don't agree to the enabling act. It seems extraordinary that this has been through Executive Council, it has been debated on occasions, we have gone to a lot of trouble and expense to bring this Bill forward, simply for the purpose of giving people the opportunity to do what Honourable Members appear to want to happen, and that is to look at the details which they don't understand.

It doesn't seem to make a lot of sense to turn down without proper consideration a Building Code that will address the matter of dangerous buildings, of structural fire precautions; preparation in certain handling of foods, structural precautions for means of escape; access and facilities for the fire service. We are moving into a time when just putting something together will no longer do, you are in danger of having people who are coming from outside putting up structures here that are totally unsuitable. We have agonised this week over having to find £¼ million to improve the Fisheries Estate, this wouldn't have been allowed to happen if that had been in place at the time.

Sir I would urge Members to just give some consideration to this enabling Bill, there is nothing sinister in the Bill. None of the draft Code that you see can even be used as a guide line, it is there to do what Members wanted to be done, and that was to be put forward for public consideration and for local people to have it constructed in the way that they understand.

The Honourable W R Luxton:

Your Excellency, my specific objection to the Bill and it comes in section 4, para 2 where it says "building regulations may impose on owners and occupiers of buildings of a prescribed class whenever erected and whether or not any building or regulations were applicable at the time of their erection". That means to me that this will apply to all old houses in Camp and I think it is totally impractical and I cannot support that, at this time, and I think further consideration should be given to the Bill as well as the Code.

The Attorney General:

Your Excellency, with greatest respect to the Honourable Member that is not what the clause says, it doesn't apply to existing buildings, if they are left in there existing state. It would apply in relation to alterations to existing buildings, the continuing requirements provision simply says this "if you have built a house, which you have been required, or any other building, which you have been required to comply with the Building Regulations, as to its construction then you are not allowed to alter that building afterwards so that it doesn't comply with the Building Regulations". Because it might, for example require that there be a window opening to ventilate a particular room, you then can't block up that window so that you don't have the ventilation which was required by the Building Regulations. It does not apply to existing buildings until such time as they are altered, and then my understanding is that the Building Regulations would apply to the alterations to the building and that work would have to conform. And there might be minor points where the join to the existing building would have to apply. Now all I am saying is that if the fear by the Honourable Member, if the fear by the Honourable Member as to the application of this Bill and of the Building Code, is related to a fear that it will apply wholesale, so that all the houses which already exist are going to have to be brought into compliance with these standards then that is not so, and it would be totally, may I say, stupid, draconian, mindless and crass if the Bill did so provide.

More over in the Building Regulations which have yet to be made and they may be something totally different from those which have been published as the draft Code, it is necessary to put that in block letters ten feet high, then that can be done, but it does not have retrospective, the Bill does not have retrospective effect to existing buildings. Nor can the Building Regulations do that. I would also say that I know that the Honourable Members concern and it would be a concern of mine were I an Honourable Member for Camp and knowing the situation of Camp, as to whether the Building Code should be applicable at all or in full to Camp.

Now I can see arguments on that although I would say we ought to be careful that we don't get into a situation where we have a whole system of law which applies to Stanley and a totally different system of law to people in Camp, because the law is for Falkland Islanders, and it seems to me that there are limits onto which one should properly go. But I think it is right that the Camp situation should be particularly looked at, but and I emphasise, enactment of this Bill would not and could not prevent that being done. The vital point at which Camp interests need to be looked at is before the Building Code and the Building Regulations are made. It would be perfectly possible in the context of this Bill if enacted, to have if it were desired, if it were desired by Honourable Members, now I don't say that it is necessarily desirable, but I say it is possible to have a Stanley Building Code; a Goose Green Building Code; a Darwin Building Code; a West Falkland Building Code; a Port Salvador Building Code and you could have 10, 20 different Building Codes all applicable to take into account the local circumstances of that case. In other words the vice the Honourable Member identifies is not a vice in the Bill, if it is a vice at all. It is a vice which would be in the Building Regulations which are yet to be made and as the Honourable the Chief Executive has said those are only published for public comment.

When they were published it specifically said that in the Gazette in which they were published and I emphasise "it is published so that the public has the opportunity of commenting upon it". Now I haven't received as it happens personally any comments on it, or from any members of the public or maybe it hasn't hit them yet, fair enough. It is emphasised and this is what is said in the Gazette that it does not follow that the Building Code in exactly the form published in this supplement would be made if the Bill were to be enacted.

Now it may be that it would be 12 months, 18 months, 2 years, 3 years before the Building Code. I don't know how long it would take to consider and how many comments and valid points may need to be taken into consideration in relation to the Building Code. If it is desired of course to put it in plain English, then there will be a considerable amount of work to be done, and it may be more lengthy because it is in plain English. It may be that Council would decide that we should publish in a form which has the technical bits and then says in italics this is what this means, this is not part of the law, but these are the notes and this is what it actually means, we can do that.

I do agree with the Honourable Member for Stanley, Councillor Peck, that we need in the interests of the people of the Falkland Islands to have effective laws as to building standards. A house which is built today, a commercial building which is built today is expected to last for a long period of time. There are of course defects in existing buildings and he has drawn attention to some of them. The trouble is alteration or improvement after a building is constructed to take into account things which ought to have been dealt with in the first place is about 2½ times or 3 times as expensive as it would have been if it had been done properly in the first place.

I have sympathy and I can see much force in the Honourable Members for Camp's concerns and indeed I might say that some of those concerns are equally applicable of course to the people of Stanley. But the vice is not, there is no vice as far as I can see in the Bill, what will need to happen, and it is has been said that it will happen, is that there to be full consideration of the Building Code, and it might be, and I was said so when it was published in a totally different form, containing totally different provisions. That should not be a reason for not enacting the Bill.

The Honourable K S Kilmartin:

It appears to me that the most important thing is to enable the community to discuss this Code of Building Regulations and this following this debate will happen. I see no urgency in passing the Bill today; the Bill may well die, but as long as the community discusses the Building Code we are achieving our objective. The Attorney General has said it may be 2 years before this Code is agreed, I find perhaps that that is a bit lengthy, but it will take a long time. We have made this public, discussion will take place, we have achieved the objective.

The Honourable H T Rowlands CBE:

Your Excellency, I agree that there is a requirement for some Building Regulations, but I am not prepared to pass this authority over to the Executive Council unless we have an assurance that all Members of Legislative Council can consider the Building Code, I am not prepared to pass Legislation today that will give the power of the Executive Council to pass the Code.

The Honourable T J Peck MBE CPM:

Your Excellency, may I comment on what Councillor Rowlands has said, Councillor Edwards is the alternate Chairman of the Planning and Building Committee, Councillor Short is also a member of that Committee. These are matters which have been discussed in that Committee and, I gave assurance at the Committee, and it was in answer to a question by Councillor Short, that yes I believed that it was important that every member of Council should view all these issues that you have referred to. That we would not be taking action at Executive Council with just 3 Members, it will be dealt with through a whole Council. So I am surprised that that was not known.

The Honourable G M Robson:

Your Excellency, I don't think I can support this Bill going through, I find it a sort of cart and horse situation where the. I think that it would be easier if the whole thing was approved at one time, rather than approving the Bill to enact it, or enacting something, or enabling something that is not yet complete or has to be, will be changed, I find it very odd. So I cannot support it at this time Sir.

The President:

Well I have the impression that there is not a majority of Councillors in favour of the Bill, and it is a pity because it is an enabling Bill and the Regulations have been around for some months, and people have been able to comment on them, and the Bill itself says very clearly that Regulations may exempt from all or any of the provisions of the Building Regulations, a particular class of building. This is 6(2) a, b, c, "all buildings in a prescribed area of the Falkland Islands", it would actually be possible if one wanted to exempt Camp, or particular forms of buildings in Camp from the Regulations. However, I don't know can we, should we have a show of hands on this, do we wish to continue with the Bill or do we wish to cease operations for continuing, Councillor Peck, for shelving it? Okay well we will cease work on the Bill then at the moment.

Road Traffic (Amendment) Bill 1993

The Honourable the Financial Secretary:

Your Excellency this Bill will bring into affect the proposed increases in vehicle licence fees with effect from 1st July 1993. They are the revised fees as announced in the budget presentation, but there is no provision made in this Ordinance for the introduction of the proposed registration fees, this is just for the annual vehicle licence fees, the increases proposed. I beg to move the first reading of the Bill.

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

The Honourable T J Peck MBE CPM:

Your Excellency, I do not support this Bill in any way at all. It actually hits at a very minor number of local contractors in the community. What it receives by way of revenue, or increased revenue is so minute that it has to be not really justifiable. Because all it will do is to increase costs to the few elderly people that still burn the fossil fuels, and you have the people at home etc, and these are the ones that it will effect. It won't affect the biggest employer in these Islands who use all the heavy plant and machinery, such as the Government itself, it won't affect MPA because that is MOD. So these are the only ones that I see being hit again by the lack of forward thinking, and I do not support it Sir.

The Honourable K S Kilmartin:

I believe that Councillor Peck it objecting to an increase in the heavy goods range, I voted for this increase, it is still far less than one would expect it to be. Heavy goods vehicles do more damage to roads, and we are spending an awful lot of money on our roads, they do far more damage than the light vehicles. If one was to charge the heavy goods vehicles a realistic rate it would be far, far higher than it is now, we considered this and we have considered some of the points that Councillor Peck has made and have not increased the heavy goods vehicle fee to a realistic level when compared to the fee say for a motorbike, which does virtually no damage whatsoever.

The Bill was read a second time. In the Committee stage clauses 1 and 2 were adopted as part of the Bill. Council resumed. 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 T J Peck MBE CPM:

Your Excellency, Honourable Members. In rising to support the motion for adjournment I would just like to make a few comments and observations.

Three and a half years ago we were appointed to the Office of Councillors following the 1989 elections. There followed a very strange relationship with the Administration and the newly elected Members of Council. There was mistrust and suspicion between the elected Members and the Administration. At the time the Island's Government had been the subject of the Seamount enquiry, the fold up of Stanley Fisheries and all its hidden issues, also that strange ship that we had, the 'Indiana I' and how it arrived in the Falklands and eventually we got rid of it. The outcome of all this did us a great deal of harm both locally and internationally. In order to rise above the criticism the present Council took a very determined line; they distanced themselves from the Administration. This was not the course to follow although at the time was believed to be the right one.

Misleading and often irresponsible information from within the Community was fed to Councillors to make them believe that the Administration was out to undermine the whole future of our Country. It took time for me to realise that this was never the case, in fact it was the reverse. To me a great deal of important time and effort was lost because of this vindictiveness by a minority of people within our Community. You yourself mentioned in your Address to Council, "do not let outside forces split us, to succeed we must be united". I wholly support those words Sir. To allow ourselves to fall in the other category would be disastrous. The only way forward is to be united.

To reflect on a few issues regarding the Budget, I did not support the increase rentals to Government accommodation. I appreciate that a small increase is required to take into account inflation. The hardship this will create to the young people will be extremely severe, a 20% increase. I know that Members did not have time to consider all the relevant facts regarding Housing needs. However this was no excuse to increase Government rents by such an excessive amount. I accept that the additional duty placed on tobacco and cigarettes as justified, however I was not in favour of increasing the duty on spirits. The retail dealers in the community have already increased the cost of spirits by 20% already this year. Overall I am very pleased with the result of this year's budget which was considered in great depth taking into account the possible forthcoming reductions in revenue. Nevertheless a very positive approach was taken bearing in mind the morale of the people. They have a right to be assured; they now have this guarantee for the next year.

In October we shall be holding a General Election there have been many names mentioned about who is going to stand in the next General Election. Many of those I have heard do not represent the interests or wishes of the Islanders. Many of them will be there to represent their own personal interests, not the people's. So I say to the people, do not be taken in by their promises and assurances, they will sell you out for a handful of gold or a gallon of oil.

Finally Sir, I would like to express my sentiments along with yourself and other Members to Admiral Rankin and Mrs Rankin and family. It has been a great honour and a pleasure to have them in our company. They have shown how relationships between the military and civilian communities should be continued and I wish them all the very best as they leave our shores. Thank you Sir.

The Honourable W R Luxton:

Mr President, Honourable Members. As with some if not all of my Colleagues this may well be the last time that I'll have the privilege of standing at this table. We've had our differences at times but usually on the 'parish pump' sort of matters and nearly always I think on the things that were really important. We've managed to remain unanimous and get a consensus opinion not least of all with this last, very difficult Budget. At least all of us who started are still here at the end of our term so the stresses can't have been too drastic. Although I must say I thought we were going to have a case of epilepsy in the Chamber the other day. We

returned to the Chamber after a relatively short Select Committee and I think we can all agree that the Heads of Department's and the Treasury between them hadn't left much fat for us to cut out. Some things are reasonably satisfactory, some things I am not too happy about but I'm not going into detail, the final result has got the stamp of all of our approval on it as a complete unit.

There have had to be many compromises between what we wanted to see happen and funds available to achieve it, but I hope the Budget will restore a sense of continuity and stability both of which have been badly dented over the last few months, I am glad to be able to tell my constituents that there is a continuing provision for some assistance to the farming industry, which combined with the much reduced interest rates should just about match the level of last year's. The construction of camp roads will continue at a modest rate and this should also help the employment situation.

I am also particularly pleased that we'll continue to educate our young people to the full extent of their abilities and that while they are training to take over the senior places in these Islands and the geriatric parents along with the rest of the community will continue to receive a thoroughly good level of medical care. I've always made it quite clear that my two main priorities of these Islands after keeping the Argies out, are the Medical Service and Education. As far as keeping the Argies out is concerned its good that we are going to ensure that our FIDF are receiving improved equipment; we are justly proud of the FIDF's performance when matched against the professionals, and they must be well equipped and one day they may be asked to do it for real although God knows we all hope not.

I'm not comfortable with the tax situation its a great pity that we were unable to introduce the more equitable tax proposals. An objective outsider would see in this budget that the senior civil servant on £30,000 a year is not feeling a lot of pain at all. His pension is protected and guaranteed better than ever and none of them have seen a reduction in income let alone lost their jobs. 20p on their fags means nothing or indeed a few pence on a bottle of "Chateau de la Inducement". A bloke who is struggling on £25,000 less is a different story. I'm not a socialist dreamer but I do caution that we are in danger of creating a society with inequalities that may become destructive.

Can I turn briefly to Stanley and its politics. I've always felt that destruction of the Stanley Town Council was a ghastly mistake and more than ever I am convinced that it would be in everyone's interest to bring it back. It wouldn't be too complicated and it would provide a sort of training ground for those interested in politics and service to the community. Above all it would restore to the people of Stanley complete control of their own affairs. I am not comfortable that matters pertaining to Stanley only should be decided by Exco which may, as at present, have two Camp members. It would be much more sensible to have a Town Council which would also remove a lot of the work from the Exco agenda. There is so much happening now that you simply cannot expect Exco to continue to decide every little item. I believe some delegation is essential. I really do commend this idea to those who may be intending to put themselves forward as candidates for Stanley in October.

Sir, there is one other thing that I would like to draw the attention of every one in this room and indeed to all Islanders. In our dark days in the 60's and 70's when these Islands almost fell into the clutches of the enemy across the water, there was one individual who did more than any other to prevent this happening. His name is, of course, Mr Bill Hunter-Christie and since those days he's never let up on his absolute support for these Islands and I feel we have not given him the recognition he deserves. Perhaps because at times he has upset the establishment and I mean the establishment at the other end or whatever. I don't think its an exaggeration to say that had it not been for Bill these Islands may have fallen victim to the grotty little blue and white dishcloth many many years ago. So Sir I would like to propose that we honour Bill Christie some way, perhaps the Freedom of Stanley, at any rate some recognition that we reserve only for those very special friends of the Falklands.

As I said this is probably my last opportunity at this table so I wish my fellow Councillors well if they are standing again and I hope that we don't have any more crisis in our remaining term of office. Thank you Sir, I wish to support the motion.

The Honourable Mrs Norma Edwards:

Your Excellency, in order to support the motion I would just wish to mention a few things with regard to the budget.

I am very sorry I didn't succeed in having the FIGAS fares kept at their current level, especially at a time when the farming community are hard pressed to make ends meet and it wouldn't be able to make ends meet at all without the support given to us by way of the Government subsidy. An increase of even 5% on air fares from the far West is I think too much and a relatively small amount of revenue will be gained by this exercise. However sheep are going to be allowed to travel for the same price as a dog instead of the proposed £25 but I would much have preferred that the human cargo had been given precedence over the sheep when we were discussing airfares, however that didn't happen.

Of course I am grateful for the farming community to be given assistance while the market remains depressed. Hopefully next year the Camp Councillors who will be elected to speak in this House on behalf of their constituents will be able to say "thank you very much Falkland Islands Government, the wool prices have recovered and we are all solvent again". However I think that is wishful thinking, and I would urge whatever Councillors for Camp are voted in the next election to give serious thought to continuing to press for assistance to the farming community. If we don't have the support from the Stanley Members which we have had in this term of Council you will have a very divided community and, indeed, all the revenue will be going into the bureaucracy end of the things and the farms will not continue without it unless of course we have decent wool prices.

We have to bear in mind that the Deputy Financial Secretary says the average price of wool this year will probably be £1.94 a kilo that is 3p a kilo down on last years prices. The assistance has been increased to £500,000, the proposed assistance was £250,000 and that, as Mr Luxton says with the decrease in interest rates will probably see us through this year. But it will be an ongoing thing that we will have to ask for, for some years to come I think.

Cigarettes and spirits, well what can I say. I don't have a leg to stand on and the case of potential apoplexy was due to nicotine withdrawal symptoms, something you will all have to live with I think. I'm sorry for all my fellow smokers and drinkers who are going to have to dig deeper into their pockets but perhaps if we are all reformed by the higher prices, we will in future years be able to cut the Medical Budget and we all be hail and hearty and living for many many years and a burden to our children no doubt.

I'm delighted we are not going to put an import duty on petroleum products, that would have been the start of an inflation spiral I'm sure as Councillor Robson mentioned in this House last Monday, and for the Camp community it would have been an extra burden. On our farm at present it costs 64p to produce 1 unit of electricity, an extra 3p per litre on diesel would not have been at all welcome.

I feel that 10% on Stanley rates is a considerable increase and I urge people particularly the elderly who feel that this is too much of a burden to enquire about the rate rebates, they may well find that they are eligible for those. I was disappointed too that the Old Age Pension Contributions for the self employed went up to such an extent, I know there is a catchment: there is a provision made for people to appeal against that but most of, perhaps not most, but certainly a considerable number of self employed are the farmers.

Sir, I would like to reiterate what Mr Luxton said about Mr Hunter Christie, he has been a tremendous friend to these Islands for many many years and we are extremely grateful to him and I agree we haven't shown him the respect and the thanks that we could have done and I would dearly love to see that he had perhaps the Freedom of Stanley. To Admiral Rankin, well I said goodbye earlier in the week, we will be sorry to lose you Sir. Good wishes for the future wherever you go and hopefully we will see you back again one day. Thank you Sir.

The Honourable K Kilmartin:

Sir, as you may have noticed this Council is in reflective mood. We are reflecting on past performances of Council and considering what we are handing over to the next Council: we are all conscious that many of us may not be here around this table in November.

Despite the pressures upon the Budget we have not reduced the Councillors Allowances. This may open us to criticism but we considered it and we felt that having had the benefit of these allowances ourselves they should be available to the next Councillors and to encourage as many people as possible to come and share the burden with others for the Government of this Country.

There will be a tax review and it may be that Councillors Allowances may be taxed in the future. But I believe there will be many people standing in November and this will show that democracy is alive and well in the Falkland Islands and we didn't attempt in any way to impose any financial burden on the next Council from the point of view of having to give up time from their jobs.

It's often said Sir, that in the past the Council was the opposition and the administration was the Government. This Council attempted to be united with the Administration and together be the Government of the Falkland Islands. This Council tried to provide leadership, to provide direction, to create policy and to control. We leave it to others to make their judgment on how we do. It's certainly easy to be critical of our performance, in certain areas we failed to agree a policy and in those areas there is no policy made by the Falkland Islands Government.

In other areas we got involved in the kitchen, we got in there with the cooks and perhaps we should have stood outside and planned the menus. In our defence we could say that in certain circumstances members of the administration perhaps didn't particularly want our leadership: I'm sure the Chief Executive will tell me how wrong I am.

It's a difficult task being a Councillor and in previous times in this House I have mentioned how we should look towards change, that there may be better ways of doing things. We've had a visit from Gibraltar this year and it certainly seems to me that we have things to learn from Gibraltar and from other countries who are progressing down the same track that we are but are some years ahead of us.

Sir, this Council came into being with a mandate of no contact with Argentina. That was in the days of Alfonsin before Madrid: things have changed. Perhaps there's an analogy when we came into this Chamber for the first time it was a bit like trench warfare, everything was static. We now have Menem on the other side, we have Di Tella on the other side, things are moving; this is no longer static, we're on the open plains and there is manoeuvring for position, this is going to be difficult for us and we have to take great care.

Sir, the previous Council were the first Council to enact Fishing Legislation. We are the first Council to enact Minerals Legislation, albeit of a limited type. Sir we are doing this against a background of no concerted opposition within this Community. There are a great many disadvantages to oil: there are social disadvantages, environmental disadvantages, there may be even financial disadvantages as a lot of potential revenue disappears out of the Country at a rate faster than we expected and there may well be political disadvantages. Those that have these concerns about the disadvantages of oil should speak up because this Council will continue to proceed in a considered and measured way towards further exploration and then exploitation of the oil resource if it is there.

The fishing: each year it is brought home to us that the fishing provides virtually our income. This year the major provider of money for all the services that Falkland Islands Government gives to the people was fishing revenue, the second provider was the interest from our reserves. Without this fishing income as was shown by the Budget Review Committee it will be extremely difficult for departments to continue in the way that they have chosen to continue. What happened in the Budget Review Committee was that immediate burdens were put upon the lower paid in order to try and save money. To actually cut the Budget of Departments in a meaningful way to reduce services and also to spread the burden across the whole band of Falkland Island residents is difficult. The Budget Review Committee has started to think about this and it's something that we must continue in the planning process.

Sir as you know I have always advocated more planning than we undertake at the moment. I think we now do more than we did a few years ago but there is still more scope for thinking

about eventualities, for planning the future. In particular at the moment Camp needs careful consideration. We are happy to say that we put more money in the budget for this year for Camp use. But this crisis I believe will continue and we need to take a long look at life in the Camp and how it will continue in difficult financial days.

Sir, we've had our crises, our difficulties but of course it hasn't always been like that, there have been successes and I would just like to mention one which is the new Community School. We spent a lot of money on it perhaps more than we wanted to but it's there and we have great hopes for it and we have managed to resist cutting any part of the Budget for overseas training and for further education. There are still opportunities for any Falkland Islander to undertake a course if they so wish and I believe that by doing that, we are going a long way to securing the future of these Islands. I am convinced and I have said it many times before that the life we have down here is a very good one, this Council wishes it to prosper, to continue and those that wish to live with us here in the Falkland Islands, the new generations I'm sure will find life satisfying and productive. Thank you Sir.

The Honourable G M Robson:

Sir, in rising to support the Motion for Adjournment, possibly the last time I shall do so, I find myself with mixed emotions. For the most part I have enjoyed my time on this Council, but I must confess that I have never been particularly comfortable with public speaking and never enjoy budget sessions. The main reason being that it is always difficult to pose burdens, while also appreciating that the country cannot run on our abundant fresh air and the two are always hard to bring together.

At this session, as all others, they have been some measures I have agreed with and some I did not. But as always the democratic way if followed and I have no argument with that. Sir, as everyone seems to have climbed aboard their own particular hobby horses, perhaps I could do like wise. For almost four years now I have argued for the localisation of as many posts as possible and I note from some statistic that in this last year there were 19 local appointments, 10 new contracts and 14 contract renewals. I believe there were 8 transfers from contract to local terms and this last figure alone is a little encouraging, but I am disappointed that contracts exceeded local appointments. I of course realise that some of these are unavoidable, but I am certain that a large percentage of contract officers should be here on local terms. I know that most people are aware of my views on inducement, so I will not belabour the point safe to say there are 3 million unemployed in Britain alone, we should be able to find a few people with the right qualifications who would wish to be here for what I consider the right reasons, i.e. the relative peacefulness and safety, particularly in respect of violent crime and to the safety of our children. I am equally sure that the Honourable the Chief Executive will counter some of my arguments as we have discussed, discussed being probably a polite way of putting it, the subject in various places in the past. However, I will never climb down from my stance that inducements should not have to always be monetary, there are a whole host of reasons for being here, the freedom and space that we have is but one. I will now climb down off that hobby horse and mention a subject related to it.

Education and training must be one of our top priorities if we are to progress. Whilst we do need immigrants to inject new ideas and expertise to our society, we must also educate and train our own young people so that they will take us forward into the 21st Century. Finally Sir my own education on numerous fronts has been greatly enhanced in various ways over the last four years and I would like to take this opportunity to thank all those who have helped me during that period, not least of them being my colleagues on this Legislative Council. Thank you Sir.

The Honourable H T Rowlands CBE:

Your Excellency, I think most subjects have been covered well, but there is one subject which has not been touched on, it is a very delicate subject and that is the Constitution. I have had many representations recently from people in Stanley to say that the Constitution should be changed to have more representation from Stanley. I think this is a subject that will have to be addressed sometime in the future. One way perhaps may bring some thought, perhaps we should increase the number of Legislative Councillors to perhaps ten. Of which six could be

from Stanley and four from the Camp, that may be a possibility. Also I believe that there is not enough representation on the Executive Council by elected Members and I would suggest for consideration that an increase to four should be considered at some stage. This is for the future and of course I will not be participating in the deliberations of the next Council as I am unable to stand for the next two years. I have thoroughly enjoyed my time on Council, and I wish to thank those people who voted for me, all I can say is I have done my best.

Even though I will not be standing for election I will be casting my votes, and the four people who can convince me that they will maintain the Union Jack flying over the Falkland Islands will receive my votes. Thank you Sir.

The Honourable G P Short:

Your Excellency, Honourable Members in rising to support the motion for adjournment I would just like to say a few brief words which will be my last time at this table for many many moons at least.

I have found these last few years very educational to say the least, and I do hope that those who follow us will have the same cooperation from the Administration as we have had, I do thank them for that.

The budget this year was all and all a quiet affair, with the figures presented being basically a re-run of last years except slightly slimmed down. The increases in revenue, or the increases in some rates I know are never welcome. I for one do not welcome the booze and fags, but there you are I guess I will have to live with that or cut down. However rents is something I have never felt comfortable about going up in the percentage leaps they have over the years, I quite honestly could have lived with an increase of 10% this year, but I do think that the 20% which was put on rents is excessive and will, I believe, cause hardship to some people who are at the moment just making ends meet. However that is the way democracy runs and I shan't knock it.

Looking back over the last three and a half years we have certainly had some tough cookies to contend with which have already been mentioned by my colleagues here, Seamount etc. Perhaps the one they did miss that we have finally managed to clear up is the sale of the dreaded Dornier, I for one am rather pleased to see the back of it.

Of achievements, I think for me the one thing I have always wanted since I came on Council, we have finally got moving and that is Health and Safety. I do believe that it is something that we should carry on pursuing.

Whoever is sitting around this table after us is in for, I think, a fairly hard time, especially on the international front and I do hope that they will do their best to keep as my Honourable colleague on the left said, the Union Jack flying over my country. I have no wish to compromise my sovereignty, my way of life, or indeed that of my children's in any way.

Finally Sir, I would like to put right something that I omitted saying earlier in the House and that is to wish all the best to Commander and Mrs Rankin in the future. Sir, I beg to support the motion.

Commander British Forces

Your Excellency, Honourable Members - not only has this been a turbulent year for the Falkland Islands Government but the cold winds of change seem to have blown endlessly through MPA and those include of course the economy as well. That said, I think we've been quite successful in resisting the more debilitating cuts that some might have wished on us and that we are in good shape. Those detractors of our credible military deterrence, and with it of course goes our capability, are often so through ignorance rather than mischief. It's important therefore that we continue to encourage Defence Department visitors to these Islands and educate them on the British Forces Falkland Islands matters. If there is a military aspect over which I am uneasy then it is probably that concerning the future offshore tapestry to which the Services do not have a direct commitment but nevertheless is an area for potential misunderstanding and over which we shall need to rehearse carefully our positions.

Important changes this year have included the financial devolution from the Ministry of Defence to the Commander British Forces of considerable authority and responsibility, from which we are already at MPA reaping the benefits. I am conscious that although the garrison's spending is significant, other than for tourism it is not as advantageous to local industry as much as perhaps it could be. This is being looked at whenever and wherever it makes sense so to do and we shall of course be pleased to support local business.

This theatre has a great deal to offer the servicemen and women and is growing in popularity as the myths of the past are dispelled and the real social and professional opportunities here in the Falklands become more widely appreciated, particularly by those back in the United Kingdom. More and more of the military are making the most of their sojourn here by visiting Camp and thereby becoming exposed to the local community. The correct motivation of our servicemen - and I use the word *our* advisedly because they are yours almost as much as they are mine - is crucially important and there can be no better way of doing this by having them experience at first hand the friendship and enviable values of the islanders. This way they really do understand, appreciate and believe in the *raison d'être* for their presence on these shores. I am not so naive as to believe that the relationships between the military will always be sweetness and light, as in any family, but so long as our relationship is based on friendship, understanding and mutual respect, then there will be a great deal that we can do for each other in the future.

In conclusion, I would like to thank Your Excellency and Honourable Members for their kind words at this and the opening session of the LegCo, which have now been passed on to every echelon of my command through their unit commanders, who I called a meeting of yesterday. On an indulgent note, I would also like to thank Your Excellency and the Councillors, including the Honourable Member who is not present with us today, and the people of these Islands, for the warmth of their friendship extended to Jill and me during what has been an unforgettably happy period in our lives. When the time comes, and unfortunately it is looming all too suddenly, we shall depart these shores with heavy hearts. Thank you.

The President

Thank you, Admiral. I think Councillor Luxton wished to say a word.

The Honourable W R Luxton

Your Excellency, Admiral, as you know your right, a member of the Local Branch of the Commonwealth Parliamentary Association, and my colleagues have asked if I would present you with this small memento which is our local branch tie and which may remind you of us at some stage.

Commander British Forces

Thank you very much indeed. I have always envied the ties and I've always felt that I've been able to tell the mood of the councillors by the ties they're wearing and I'll wear this with a lot of pride. Thank you very much.

The Honourable the Financial Secretary

Your Excellency, I would like to thank Honourable Members for all their hard work during the Select Committee and at all the meetings of the Standing Finance Committee where for my sins I am the Chairman.

On the subject of the increased rates and rents I would like to repeat that rate payers and tenants can apply for rebates under the approved schemes. The schemes do work by reducing the amounts payable by tenants and rate payers on exceptionally low incomes.

I would also like to convey my best wishes to Admiral and Mrs Rankin for the future. Sir, I support the Motion for Adjournment.

The Honourable the Chief Executive

Your Excellency, I am glad that the Admiral mentioned the Honourable Member from Fitzroy and I think it will be a great sadness for him that he wasn't able to be part of this week's exercise because he has been a very significant contributor in his four years and I think he has been a sound guide and calm voice at a lot of difficult times and I'm sure I am speaking for all of the government when we wish him well and hope that he returns properly healed and restored.

A number of Members have observed that there will be changes around this Table when Legislative Council meet again and I think this is something that we all have to be conscious of. One of the faces that will perhaps be moving away before the next Legislative Council is that of Roger Huxley and far too frequently the role that he plays is forgotten; I think he's brought a whole new impetus to the job that he does at Government House and he and Niddy have been very considerable contributors to the economy, if not bandits as far as the golf course is concerned. In the event that there's not the opportunity to thank you at a later date, please accept the thanks of the Legislative Council now.

I think the past three and a half years has seen an evolution in government which is what I should think governors prefer to see rather than revolutions, and the evolution that I've witnessed has been extremely encouraging. We have seen a considerable development in greater responsibility being taken on a day to day basis by Councillors. I think any members who are re-elected, who have served in the past, to the next Council will find that things have changed in a quite surprising way, and it's interesting talking to some of them that they do not appreciate just how much influence and say councillors have now that they may not have had in the past. And the fact that we now have very effective controls of key committees that were previously chaired by officials has led to greater local involvement and very bold decisions. This Council has seen the formal establishment of the Councillors' Office, which is now taken very much for granted; it has seen the establishment of Research Assistant's post and that in its own way has gone through an evolution. We've seen the concentration of fisheries policies being laid very firmly and directed by elected members and the very sensible course of having the allocation of licences devolve to officials.

Probably the most significant thing as far as I am concerned in the past life of this government was the purchase of a million acres of the Falkland Islands from the Falkland Islands Company. That any company should own 27% of the landmass of a country I always find quite extraordinary, and I was glad to be associated with Honourable Members in that purchase. Part of that was the acquisition of a number of FIC mortgages which were bought at the same time and the benefits have been passed on to those farmers. Staying in the agricultural frame, at a time when wool prices were at a world low, this government showed incredible boldness and maturity in authorising the purchase and transportation of the stud flock. It is almost inconceivable that small organisations tend to look for quick results and this government committed itself to a high cost investment that is not looking for a quick return but has very much the long view in mind. It was this government that authorised the purchase of Sea Lion Island so that it could be held safely not just for these islands but for the world as an exceptional environmental resource.

In housing there have been extraordinary changes. We have seen a continued growth in government providing houses and in government stimulating the provision of houses in the private sector, and that is going to continue from what you can see from the budget. In the same way the government has been extremely different in its approach, and generous in its approach, to make it easy for people to buy houses and I think one of the things that Councillors can look back on with some satisfaction is that during their period of office, the ownership of land and the ownership of houses will have done a great deal to take away any criticism from anyone that it is a colony in the old sense. It is very much a democracy now that is land owning and house owning and that can only be applauded and should be continued to be worked towards.

Mention has already been made of the switch that against all advice from every quarter to get rid of the Dornier and take on two Defender Islanders was executed: now the effect of doing

that has been to get us rid of an expensive aircraft that was expensive to operate and has been replaced by local control, it's now serviced, maintained and flown by local people and is providing additional local employment. Significant investment has been made in roads in both Camp and Stanley. Services in Stanley have been extended and improved. Throughout the government, priority has been given to training and increasing responsibility. Of course with responsibility becomes accountability and while people are quite happy to take an additional increment or additional grade, accepting the responsibility and being held accountable for things not always going correct is not as easy to digest. However let me remind the House that of the 16 departments that exist in Falkland Islands Government, 12 of them are headed by Falkland Islanders and within those departments, the majority of supervisory positions are held by Islanders and the points that have been made by various Honourable Members that we should be moving towards greater localisation has been a major plank of this government and I am sure will be continued with the next.

Another area that I think deserves mention is KEMH where we have one of the best examples of civil-military liaison that has continued so well that it's hardly ever noticed, but during the life of this government there have been very substantial investments made in both equipment and people. It's almost impossible to remember the days when we had nothing but crises with Acting Chief Medical Officers and a Chief Medical Officer that perhaps wasn't as efficient at doctoring as he might have been and those awful days of crises. We have got the right people in the right places, we've set up a structure there that is effective and this has been very much influenced by those Councillors who have had a special responsibility for the Hospital and have taken this responsibility seriously.

At this point four years ago no one was predicting the slump that would take place in the wool world or on the major assistance programme that would be necessary, and it has been remarkable first that we had the funds to do it and secondly that Councillors had the will to fund the agricultural community as generously as they have done and this strong support was made clear in the past and the government has signalled again in the budget this year that it is going to continue. The apoplexy that was referred to by Hon Members earlier really was a communications misunderstanding when Stanley and Camp were both shouting at each other saying the same thing: we must give support to the agricultural community. And I think it was perhaps surprising to one that the other was in unity that there was some little confusion.

Stanley Fisheries has dominated my life since I arrived here and I know it has been a matter of considerable concern to Honourable Members. I am very pleased to report that the programme of liquidation and negotiations has continued throughout the life of this government. The reason I'm pleased is that I think we now stand a very good chance of seeing that company wound up before this assembly is prorogued. Stanley Fisheries will be wound up. I take time regularly to re-read the Boyd Report. There are many lessons for all of us in the Boyd Report. Many of the main architects of the downfall of Stanley Fisheries have gone away but not all of them and I think you should take care to note the mistakes and mark well those who failed through error and through ignorance.

A high point in the life of this government has to be the Heritage Year celebrations. Now there was a time during the financial crisis some months ago when it was seen to be a most extravagant waste of money. It certainly wasn't seen by people at the time, it was a significant and major success that was spread across the community and I think it's something that will go down in the annals of the history of the Islands and all those who were involved will remember it with considerable satisfaction and I think they should also, if they were involved in organising it, look back on it with some modest pride.

Another issue that couldn't possibly happen was getting rid of the "Monsunen" and our involvement with the Falkland Islands Company on Coastal Shipping. Lo and behold it has come to pass and the "Tamar" is now a recognised service that is being provided efficiently to the community and the "Monsunen" that was never ever going to sail again, and unless we produced countless thousands of pounds would be in great difficulty, has appeared again in our waters under somebody else's flag in its stern still earning a living.

As far as constitutional change is concerned, the administration has constantly offered to form a part of a working party to take constitutional reform forward and we are still in that position.

I think Honourable Members need to take the lead on this, they need to give us some idea of what is required and we will readily work hand in glove to start putting proposals together with them and to discuss the impact. It's something that won't be rushed, it has to be taken in very slow time, but we are very ready to do that.

Honourable Members are aware that amongst the things that have gone wrong has been our contract with PSAI, and for us to hear yesterday a ludicrous claim that we now owe them an additional £10.3m for a road that they priced at £1.2m I think is just an extraordinary state of affairs and the Council are aware that we are taking every possible step to ensure that we are to be properly represented in this matter and will make certain that we do not pay a penny more for that road than we were contracted to do. It's a most unhappy and shabby affair all round.

I would just like to say that I've enjoyed working with the Council - I'd like to say that, no, I actually mean that most of the time I've enjoyed working with the Council. It's difficult for someone in government to work with a council that is not united politically. It's much easier in Europe, when you've got clear political parties and when you get out of bed in the morning you know that one is going to take this view on housing and that view on education. Being here with eight independents life is never boring and you move very quickly from one policy to another and our velcro policies are a system I've come to know and understand and flexibility is very much a key word in the Secretariat. But there are dangers that a house that is not united will fall; a house that is divided against itself will fall. Almost as bad is a house that is united by prejudice instead of pride, by malice instead of method and by greed instead of growth and it would be a terrible thing if that came about. I don't think there is any danger of that but Seamount starts to point in some of those directions and we would all do well to watch for those things in the future. Your Excellency, I support the Motion.

The President

Thank you. If I may just say a few words before we adjourn. Firstly I would like to second the remarks of appreciation which many Councillors made on Monday about the work of the Administration. We have a small government machine here but it is a quality one. I'm constantly impressed by the care and responsiveness of civil servants in the Falkland Islands Government; they are quick to reply to enquiries and they do their best to satisfy their customers. It was the Chief Minister of Gibraltar, Joe Bossano, who taught us that small is beautiful, and I think this is certainly true of our administration. I congratulate Heads of Department and all members of the civil service on their hard work over the past year, which has not been an easy one for them, and I thank them for their loyalty and devotion to duty.

The other point which I would make in conclusion and at the end of what I expect will be the last session of the present Legislative Council, is to thank Honourable Members for all their labours over the past nearly four years. I wonder how many members of the public, who are often quick to criticise councillors, appreciate how heavy the workload is which a councillor takes on. Executive Council is not simply one long day's meeting: there are literally volumes of paper to study before a meeting, not just by Executive Councillors but by all Councillors. There are meetings of committees - Standing Finance and General Purposes, which involve all councillors - but as the Chief Executive has said, the large number of smaller committees, Housing, Education, Fisheries and so on, all of which involve councillors; there is a constant flow of constituency work, there are visits abroad and social obligations at home. For Camp councillors there is the absence from family and work and the effort of keeping in touch day by day with events in Stanley which for some is over a hundred miles away. I set all this out because I believe that the Islands and the administration owe a debt to Councillors and I acknowledge it. I am not trying to discourage candidates from standing for election in October. I hope we'll have a large field and good runners. But I urge all those standing for Council to realise that the election is just the start of the story. There is the heavy, continuing workload, and we need Councillors who are prepared to give up their time for the next four years to govern these Islands and to make decisions which may well be unpopular. There is certainly job satisfaction but there is also unremitting hard work. So once again my sincere thanks to Honourable Members for their efforts and achievements during their term of office. The past four years have been a time of greater prosperity than ever before in the Islands but also I think by and large a time of money wisely spent and carefully saved. We shall face new

challenges during the next four years. The problem of oil exploration will need careful management and the income from fishery licences may not be as sure as it was. What is clear and what was mentioned by several councillors at the opening session is that these Islands will continue to need sound leadership, honest government and efficient administration. The House stands adjourned accordingly.

Confirmed this 16th day of November 1993



President of
the Legislative Council.

Auth.

**RECORD OF THE MEETING OF THE
LEGISLATIVE COUNCIL
HELD IN STANLEY ON
19 OCTOBER 1993**

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**OPENING ADDRESS BY HIS EXCELLENCY THE GOVERNOR
TO THE LEGISLATIVE COUNCIL ON 19 OCTOBER 1993**

At the start of this new session I congratulate Councillors on their election. You have been chosen by the people of the Falkland Islands to represent them; to be their leaders and law makers at home and their ambassadors abroad. People will judge the Islands by what you say and by what you do.

You will shortly be selecting three of your number to form the Executive Council. To them, my particular congratulations. The post of Executive Councillor carries real responsibility and involves considerable work not just at Council meetings but in preparation for those meetings, in contacts with the Administration and with the general public.

May I say a word about relations between the Administration and Councillors. Let me assure Councillors that this Administration is their Administration. We have no wish to bypass them or to bamboozle them. I have been a civil servant for over 30 years and I can tell you that what civil servants look for in their political leaders is not pliability. What they appreciate is decisiveness and consistency, the ability to make the right decision and the courage to stick by it even if it is unpopular.

May I say a word about the problems I see looming over the next four years. The first is finance. It is not so much that we shall be short of money - the measures which we took last year have reduced our vulnerability to pressure from outside and raised our reserves to a new and healthy level. What is worrying is the uncertainty over our income, particularly from fish. We were reminded last year that the actions of the Argentine Government have a direct impact on our income. So did far less calculable matters like the breeding habits of the illex squid and the way it drifts on the ocean currents. It is impossible for us to foresee accurately what our income will be in any given financial year until about three months before it ends. I told the last Legislative Council that we should prepare for the worst and hope for the best. Both our preparations and our hopes came right and despite a loss of income from squid of £5 - 6 million we ended last financial year in a healthy state. Our reserves now stand at £56 million and we can expect that this financial year - as last - income from our investments will be the second largest source of revenue to the Falkland Islands Government. Because of the cut backs the last Council imposed we can expect to receive about 1/2 a million pounds more in investment income this year than we did last.

It is ironic that both our main source of income - fish - and our chief hope of future resources - oil - lie offshore and common sense obliges us to take note of what our neighbours are saying and what they are doing. The Director of Fisheries is this week forming part of the British team at the South Atlantic Fisheries Commission which is negotiating a division of the fish catch with Argentina. We have every reason to be proud of our fisheries administration. It is efficient, honest and conservation minded. It enjoys excellent relations with the foreign fishermen and commands their complete respect. When a Far Eastern fishing captain tells me that it takes weeks or months to collect a licence in some countries and only two hours in the Falkland Islands that is a source of pride to me and to all of us.

None of us deny that Argentina has the right to licence fishing for squid in her own waters. What we do ask is that, because these are straddling stocks, she adopt as conscientious a conservation policy as we have done. And we ask for our sake - and incidentally in the interests of the Argentine tax payer - that Argentina should charge for licences at something approaching the going rate. The Falkland Islands and Peru both ask about \$160 per ton of catch from the boats licensed to fish in their waters. Argentina only asks \$70. I find this hard to understand, just as I find Argentina's reluctance to reach a long term agreement on fisheries hard to understand. Is the explanation that there is a conscious policy to exert political pressure on these Islands?

Let me move to the other potential offshore resource, oil. I hope that Councillors will shortly agree to the publication of a discussion paper which will set out for all Islanders how we see oil exploration developing in the Falklands and the various issues on which we shall have to take decisions. The very useful seminar organised by the Secretariat and run by Mr Mark Shrimpton reminded us that nothing is certain in the oil industry. Time scales are very long, the sums of money involved are enormous and we shall be competing for oil companies' investment funds with other potential oil producers all over the world.

The implications for our way of life here are equally enormous. We were all absolute beginners in the oil stakes. The Administration has already acquired a certain experience and there is also some background in the private sector. But even to administer an exploration programme we shall need new specialised staff who will have to be recruited abroad and will need competitive salaries. If exploration gets under way substantial bases will be needed either on these Islands or on the Coast with provision for vast quantities of materials and a large work force.

Can I speak briefly on our place in the world. May I urge Councillors to be always prepared to speak out on behalf of the Falklands. I believe that the international environment has changed significantly in the past few years. For the first time a number of thinking people in Argentina publicly recognise that these Islands are inhabited and the Falklands problem cannot simply be decided between the Argentine and British Governments with no reference to the people of the Islands. It is true that officially the Argentines are still only willing to look at the "interests" of the Islanders and not their "wishes". But even here there are signs of give. Let us build on this progress, not ignore it. Let us point out to Argentina that we have probably the longest unbroken democratic tradition in South America, that we have an efficient, honest and responsive public administration, a fair system of law, provision for health and education which is the envy of many communities of our size in Britain, let alone elsewhere. The money we have earned from fishing licences we have - after a shaky start - invested wisely whether in infra structure or in savings. This is a record of which we can be proud, but we should not just leave the British Government to blow our trumpet for us.

The more Councillors speak up for the Falklands the more the world will listen. In the past much of our public relations campaign seemed to be preaching to the converted. In Britain we have moved on from this - I was very encouraged to hear Councillor Edwards' description of the sympathetic reception our stand received at the Labour Party conference.

But here in South America - and we live in - or beside South America - I believe we should also be making our case. We should say to our neighbours - drop your claim! The claim is a contradiction of Argentina's professed new found faith in democracy. The claim is a denial of the principle of self-determination - one of the basic principles of the United Nations and one which is embedded in our own constitution. The claim ensures that we cannot cooperate fully and frankly with our neighbours. So I ask the Argentine Government and people to think again. And I ask the Councillors and people of the Falkland Islands to back this appeal - I ask you not to be too shy or too proud to say to Argentina - drop your claim.

One other topic I should mention is the Constitution. Because of shifts in population we now have a situation where 324 people in camp elect four Councillors while 916 people in Stanley also elect four. This worried some candidates - others found it justifiable. All I wish to say is that the Constitution will be 10 years old during the life of this Legislative Council, a natural time to amend it if amendment is needed. What is important is that the representatives of the Falkland Islands should present London with clear, sensible and unanimous recommendations. Recommendations which reflect the realities of social and political life in these Islands - which will work in a society which has so far conspicuously declined to express itself through political parties and seems to have little taste for full time and professional politicians.

One further thought on the Constitution: this is a British colony and I believe most people wish it to remain so. This means that the British Government and British Ministers are ultimately responsible to Parliament in Westminster for our good government; the British tax payer

contributes a considerable sum every year for our defence; and British soldiers, sailors and airmen stand in the front line here. Against this background, I do not believe it is reasonable to expect Her Majesty's Government to assent to the removal of those powers which are effectively in reserve - rarely or never yet used - but an insurance against the possibility of abuse.

I apologise for raising what I called problems looming - finance - fish - oil - the Constitution. But problem solving is the business of government and I see these as challenges which together we can and will overcome.

The next four years should be a time of steady progress, perhaps less sensational than the last four, but building on our experience and our growing ability to do things for ourselves. As I have said we have a lot to be proud of and I urge Councillors to face the challenges ahead with courage, with energy, with reason and with integrity. I commit myself and the Administration to giving them our full support during their time in office.

Administration of Oaths

Oaths and affirmations were then administered.

ELECTION OF MEMBERS TO EXECUTIVE COUNCIL

The election by elected Members of three of their number to Executive Council then took place by secret ballot. The President then announced the names of those elected, namely:

The Honourable C D Keenleyside	Stanley Representative
The Honourable W R Luxton	Camp Representative
The Honourable E M Goss	Stanley or/Camp Representative

SWEARING IN OF ELECTED EXECUTIVE COUNCIL MEMBERS

Executive Council Oaths were administered in the following order:

- The Honourable E M Goss
- The Honourable C D Keenleyside
- The Honourable W R Luxton

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, I would just like to briefly mention some of those points that I personally believe will be important over the next four years of the life of this Council. You Sir, have already touched on that of our Constitution and if I may say a few words on this: it is now twelve years since the review was last carried out by those people who were elected to this Council and that was the start of four years work before the current Constitution was finally put in place eight years ago. I believe it is up to us once again to look closely at the Constitution we now have and having looked at it closely to decide whether its necessary to have a new one in place by the end of this term of office which would be 12 years after the current Constitution was put in place. When we speak of the constitutional change most people would probably think of changes to the number of representatives in Stanley and Camp and although I believe this is one point that needs looking at, it is not necessarily the most important. We have been arguing for years for the right of self determination and we often speak proudly of democracy in the Falklands, however the degree of democracy that we have is limited and as such leaves us in a vulnerable position to attacks from those who oppose us. An example of this may have been heard by those listening to a recent phone in on Calling the Falklands. The Argentine Foreign Minister Mr Di Tella was mildly sarcastic about our democracy. To improve our level of democracy I believe we should be moving towards more control of our own government and please do not get me wrong, I am not advocating independence. I do however believe that we should be moving towards internal self government: not in one go but in several transitional Constitutions each of say 8-12 years. As I mentioned in one of my election addresses there are a number of anomalies in our Constitution that need rectifying. It is wrong I believe that those who have waited five years to vote can lose that right after just a short period of absence from the Islands. This same thing applies to those considerable number of Falklands children born in Argentina or UK due to the temporary lack of medical facilities in the Islands at that time. These electorally disadvantaged people are increasing in number and if we do not make changes ourselves then we may well find that they will soon have sufficient numbers to make changes for themselves, changes that we may well not like. Let us set up a committee of the whole House to decide whether we need to proceed with changes to our Constitution and because of the long lead time required for constitutional changes may I ask Honourable Members to consider setting up such a committee at our next meeting in November.

During the run up to the election I advocated as free a media as possible. The media trust was a considerable move along those lines but I believe it did not go far enough. FIBS is still part of the Civil Service and as such cannot escape the control that that imposes no matter what the Media Trust may say. I advocate that FIBS be separated from government in a similar way to Penguin News: that a lump sum is provided to an FIBS trust from government and that all control is completely removed from the hands of government and that includes EXCO, LEGCO and any part of the Administration. And along these lines I would question the problem with live radio programmes. Apparently during elections it was argued that we could not have live radio programmes but I believe that the arguments used for that apply equally at any other time and I would question, not for answer at the moment, but I would question whether in future we can have such things as phone ins and other live discussion programmes.

One other point I brought up during the run up to the election was I believe that government's decision for early retirements and Civil Servants and other parts of government were hastily made and I believe quite often, wrongly made. I believe that a lot of these retirements were unnecessary and in some cases harmful to the service let alone harmful to the people who were retired early.

Sir, I welcome the news that there is a discussion paper which will go to the public on the subject of oil, if Executive Council approves it. I believe that I will be on the Oil Core Group and if a department is formed regarding oil that will be one of my responsibilities. I look forward to reading this paper and I look forward to hearing the comments from the public.

During the forthcoming four years I am sure between us we will have different views but I hope we will work together for the future of the Islands.
Thankyou sir.

The Honourable E M Goss MBE

Your Excellency, Honourable Members, in rising to support this Motion of Adjournment I would like to thank Canon Stephen Palmer for his prayers for us at the start of the session. I must say I am proud to be here and I'm pleased that the passage of time has returned me to this House. At this first public meeting of the new Legislative Council I would like to thank all those who put a cross alongside Goss. Their vote expresses confidence in me to represent them. I hope I can produce the goods expected to justify the trust placed in me. I welcome the old or rather I should say the familiar faces around this table today. I worked with four of them on council from 1986 - 1989, I only hope the road is not too rocky from reaching its end in nearly four years time. I welcome the new faces and wish them luck, strength and peace with the decisions they will have to make. I look forward to working with the old warrior, Councillor Luxton, who has been known to impinge the hopes, ambitions or integrity of his opposition, obviously a good man to have in your corner. I also welcome the Commander British Forces, Falkland Islands to this first appearance at the table in the present company. I hope his influence will maintain the military presence in Stanley in our hospital and the EOD squad who keep us safe from the nasties. In the early life of this Council my attention will be directed to the stability of the lives of those who work on Falkland Landholdings farms. A two year lease of life is not good enough for the people who have committed themselves to farm life for life. The uncertainty of the future must be removed; this is an urgent matter for the new Council to address bearing in mind the assurances given by the FIG at the time of purchase of the farms from the Falkland Islands Company in May 1991. Let's hope the ideals and promises made at that time have not faded out of sight. The people who FIG inherited on the land do not like short term arrangements, my aim is to reverse this trend to empty the camp. Bring back security to Falkland Landholdings farms where we can build a future together. My approach in remodelling of Landholdings, if we can use such a term, will be cautious and sensible. I will honour the two year extension given by the last Council, this will give this Council 18 months to decide the correct way forward. I don't intend to meddle with the business of marketing of the produce; my aim is to create confidence in the people who make up the farm communities. I would like to assure those who have worked their lifetime that they may retire in peace on the farms where they have contributed so much.

On other matters I am curious about the silence surrounding the PSAI claims and will be looking for information in this affair. I will do what I can to make the MPA road safe to travel on.

My election manifesto will be my guide in this council; I will work to maintain all the good standards we have and improve any not up to scratch, to preserve our way of life and protect our identity. I will strive to convince the world and the Argentine nation that their artificial claim to Falklands sovereignty will have to disappear completely and forever before normality and trade relations and any other developments can begin. I look forward to working towards all my targets with the new Councillors and the administration.

Sir I support the motion.

The Honourable W R Luxton

Your Excellency, Its a great honour to have been returned to this House so decisively and I would like to express my most sincere thanks who have voted to give me another 4 years as a member of Legislative Council. I was also very touched by the fact that the young people who ran a mock election at the school also voted to return me. You wouldn't be human if it didn't make you proud to have the support of the next generation as well, my thanks to them.

They'll have my support as they aspire to the highest educational levels over the next four years. I believe this election has caused a degree of interest in Argentina as well: no doubt they have been waiting and hoping there might be a rift showing within our population or perhaps a wavering of our resolve to secure recognition of our rights to self determination. My view about our relationship with Argentina is, I think, fairly well known to many people in that Country and I hope they'll note that 76% of the people who voted in my constituency gave me their total support and in addition they may wish to study what has been said by my Honourable friends at this table in their success for election bids; and I trust they can take on board the fact that the people of the Falkland Islands are utterly resolute in their determination not to be bullied or frightened into making any concessions. Our Islands will never be a colony of Argentina. While we are technically a colony of Great Britain, the British behave towards us like a benevolent parent whereas the Argentines adopt the posture of an unrepentant rapist. I'm not going to try to cover too many subjects at this stage of the Councils life so much discussion will be needed for us to arrive at a consensus on which direction we go and in what we want to achieve but I would like to highlight a few matters if I may:

Farm grants and subsidy: I assume that although there is money in the budget for this, the treasury has been waiting to get direction from this Council. Can I now urge the Financial Secretary to implement a scheme at the earliest possible date. All wool prices should now be available and its probably marginally worse than last year and farms will very soon be at the stage of incurring large payments for shearing and freight as well as day to day costs. With our illustrious banking organisation across the road the difference in interest rates between when they've got your money and you've got theirs is quite startling, so it is a matter of urgency.

On camp roads, I'm delighted that a local company got the West Road Contract. I wish White Rock Ltd well and I hope that all those involved on the administration side will do everything they can to smooth their way and avoid getting bogged down in petty bureaucracy.

I thank my colleagues for proposing me as Chairman of the Transport Advisory Committee and I shall be taking a close interest in all construction East and West.

As for the East projects I hear reports that seem to suggest the present plans bear little resemblance to those originally approved and I wonder if I could please ask the Chief Executive here and now to provide all Councillors with a detailed plan of just what is to be constructed, and where, this season on the East Falkland. Perhaps we could have this before the end of the week please, perhaps at the Standing Finance Committee meeting on Friday.

As to future budgetary policy, we are already being brought up to date with the present situation but I do detect a degree of sympathy with my own somewhat radical budget rethinking. I hope to build on this and avoid the trauma of what happened last year. Again, the bald truth is that we shall never know what this year's revenue is until next July at the earliest. This is likely to be the case every year, however we have sufficient reserves to plan our spending regardless of that. Last year's eventual surplus of £11 million plus or in excess of £5,000 for every man, woman and child in the Islands does not sit well with those who have no work or those who suddenly lost their jobs, and rightly so.

Finally Sir, I will consult my Stanley colleagues over the next few weeks with a view to introducing a Motion at our next meeting for the reforming of a Stanley Town Council so that we may debate it fully in this House. If it is the will of this house the sooner we crack on with that the better.

Thankyou Sir, I support the motion.

The Honourable Mrs N Edwards

Your Excellency, Honourable Members in rising to support the Motion for Adjournment I'm

not going to take up too much time, fresh to this new Council. I have lots of ambitions of course and a few points that I would like to touch upon but I know very well that when Council begins its term of Office everybody thinks they are going to move the world for the first month and then we settle down to actually getting down to what we have to do. However I would like to thank the election team for all their hard work the other night and I hope that they didn't have to turn up early for work the following morning, they must have had quite a late night.

Some of the subjects I would like to mention: Camp roads on which Mr Luxton has said he's delighted that White Rock have got the contract; So am I, I only wish that we had kept all the camp road contracts local and we wouldn't be now facing a claim from PSAI. However that's water under the bridge and no doubt that will be thrashed out fully by this Council in due course. What I would like to see in the next four years regarding camp roads is as I've always said the little ditches: the bad patches mended all around the camp because that will benefit all the farmers. Building camp roads from A to B benefits some and certainly it makes life easier if you want to travel a distance but when you live away from a settlement and you've got to drag your wool overland and your faced with an enormous bog to manoeuvre it through, life is not funny and for a few thousand pounds, not millions, these problems could be overcome quite easily with a team of a couple of people. I've asked for this continually during the last Council, it hasn't happened. Hopefully the support will come from this present Council and we will be able to go ahead on that front as well as building camp roads accordingly to our resources that are available. Mr Luxton also mentioned camp subsidy as a motive issue. I know that it needs looking at and perhaps it needs reorganisation but let me plead with this Council, this new Council, not to abandon camp subsidies because you will have all the farmers, or the small farmers anyway turning up on your doorstep saying "I'm no longer prepared to work for nothing. Here I am, what are you going to do with me? Give me some work in Stanley". Because at the moment it is the only thing that makes farming in the camp at all viable and subsidies to be withdrawn or vastly reduced, with the wool prices as they are at present, would be disastrous for the camp and you would end up with the Falklands consisting of a place with a heap of bureaucracy up to their ears and no real country to go to; and I would hate to see people leave the land but it is a possibility if we don't get the support we need through the hard times. I hope that we never have to and certainly if I have anything to do with it when we review the budget if we have to in future, it won't be in the fashion it was done last year. I think the end result of that exercise was very little money accrued to government and a lot of heartache for a lot of people and it was unnecessary in my opinion.

I read in the Penguin News a little letter from Mr Luxton about camp wages for labourers or camp workers and while I wouldn't argue at all with his figures I would like to say that if you're lucky you might be able to earn £8400 the actual wages are 4,500 and if you can almost double it, a lot of people are lucky especially the workers on Falkland Landholdings. One of the things that should be taken into account and we're talking about wages for the people in the camp, is the fact that they have no security and even on £8,400 a year they don't have enough money to take out a mortgage on a house for themselves at the end of their days when they are going to need somewhere to live. If they are lucky they'll probably find some sheltered accommodation in Stanley if we've got around to building enough by then. But there are anomalies in this and it isn't quite as rosy as it may seem when you read that, I don't think. Now it's not in my interests to say this because I have to employ people as well, I only do it on a casual labour basis and it's not easy to see where more money is to be found for the workers who want to spend their life in the camp working on the land, but I think we will have to give them some incentive if we want to return people to the land as Councillor Stevens has suggested. That is just food for thought for the future because I don't think we've heard the last of this by any means.

The unemployment situation in Stanley of course concerns us all and I'm sure this Council will do all in its power to try and alleviate this. I don't think it will be got rid of overnight and I do believe that it may well get worse before it gets better, depending on the capital programme we put in place, but it's something that we will all need to address urgently and try to hopefully

get rid of it completely but with the falling revenue, its very unlikely that unemployment is going to be cured overnight.

You mentioned oil Sir; I think that we have to be realistic, I think that's a long way in the future yet and it is wise of us to get in place now as much legislation as we can with a view to controlling that oil in the future. With this in mind I brought back some reports from the RSPB people which were used in formulating the conservation legislation for the Shetlands when they suddenly discovered that they were going to be oil barons. It is going to be an emotive subject but I think that we should make it clear to Argentina here and now that if we are to co-operate in any way on this front then they must see sense and drop their claim to sovereignty. I cannot see any way forward on that front unless they do realise this. I agree with Councillor Cheek regarding the Constitution: I think it does badly need looking at again and I'm pleased that he has suggested that we address this problem urgently and get it underway.

One thing I mentioned in my election speech was for more sheltered accommodation for the elderly and I think more sheltered accommodation is more important than an old peoples home and I would like very much to see a number of more units built if not after the next budget certainly within this term of office.

We heard yesterday that there are to be more defence cuts. I would hope very much that this doesn't affect our little corner of the world but I think we have to be aware that it may well do so. And while I'm talking about defence may I also welcome to our table the Commander British Forces and I hope he enjoys his year of deliberations with us.

One other thing I would like to say is thankyou very much to everybody who voted me back into Government and welcome the new members of our Government, especially the ladies. Its very pleasant to know that I've got some female backing for a change and of course I'll leave you with this small thought, "that when God created man She was only really joking" and I hope you will hear that in mind.

Thankyou Sir. I support the Motion for Adjournment.

The Honourable C D Keenleyside

Your Excellency, Honourable Members in rising to support this motion the very first thing that I want to do is to very much thank the people who voted for me. I will definitely try my best to do what I can. If you want to contact me and let me know your views I am always willing to listen.

I don't recall having made any particular promises to warrant the large degree of support I received except for one thing: the right of self determination of the Falkland Islands people is not for sale. We know what we want; peace, prosperity and the pursuit of our way of life without unwanted outside interference. Our election process has been closely followed and no doubt the results are being analysed to find our weaknesses. We may disagree over some things but one aim surely unites us: The future of the Falklands is ours to decide. It is clear that careful economic planning is a major concern if we are to create the stability the public expect from us. It may be some considerable time before we see any real income from oil.

Insuring that the legislation that eventually materialises is what we require will take time and a lot of study. I look forward to the discussion paper you mentioned in your address and I'm sure that all members will join me in saying that we look forward to the public participating in this as much as possible giving us their views which we will do our best to echo. I look forward to working with the other members here, I've worked with a number of them before, crossed swords with a few and sometimes agreed, sometimes disagreed but always came back fighting.

Sir, I beg to support the motion.

The Honourable C W Teggart

Your Excellency, Honourable Members. It's four years since I last stood at this table. I've been here quite frequently since to set up all this equipment that you see and I must say that its a long, its an onerous task and its not one that I've particularly enjoyed while I've been working at FIBS, but it gave me great pleasure to come in here and do it this morning. We've got a lot I think to sort out in the next four years; we spent a few hours together yesterday afternoon, I think if anybody thinks that this Council is going to be a pushover I think those few hours yesterday afternoon showed us all we're going to have some fights on our hands. I think that as long as we're in there and willing to have a fight I think thats what its all about. I think as a Country we are very very good at raising money for charity, very good at looking after other people apart from our own and I think that that is something that we are going to have to get to grips with. There are people in this community who desperately need support, they need help and I want to see a lot more of that happening. I think the over 60's as I said in one of my election speeches were treated in a most disgusting fashion last year. Its very easy for me to stand here and say that it shouldn't have happened, but it did happen. We can't take that back but I think we can make sure that nothing like that ever happens in the Falklands again.

I think our Constitution definitely needs to be changed before the next election, its something we've got to get working on, its going to take us a long time, we've got to get working on it very quickly. And in changing that Constitution its my belief and I hope that I'll have some support in this that we must exclude contract officers from the right to vote in the Falklands. It doesn't matter if they've been here 6 years or 16 years, if they are on contract then they must not be able to vote here because they have no long term commitment to the country. We have the prospects of oil, we have a possibility of perhaps thousands of contract workers coming in. It really worries me that under our present Constitution people who have been here for 5 years can vote, we must confine that somehow to just immigrants, people who have come here to settle and to join us in our way of life.

From our meetings yesterday it seems possible that I might be involved very much with the Public Works Department, the Housing, Planning and Building Committees and the Agricultural Department. Not an enviable task perhaps but I'm more than willing to tackle it. I'd like to think that its something that I can do, I've been homeless and I've worked on the farms and I've got a few ideas.

I'd like very much to support Councillor Luxton with the Town Council, I think that is something that is badly needed, we definitely need a Town Council. I believe we also need an Old Folks Home but one of the things we must do is survey our elderly and find out whether they anticipate moving into sheltered housing or whether they would prefer an Old Folks Home; we do have people who are living in houses in Stanley who can't cope anymore and they are not ready to go into hospital but they need looking after. We have people who are living in the hospital and I find that an intolerable situation. It is certainly not how I would consider ending my days.

We have things to look at like the camp tracks, I would rather see the bad ditches being bridged, be of use to more people than just starting at one end and going to the other, I think there's a great need for some of the bad ditches on the West and on the East; down North Arm way perhaps, I've never been down there I must admit, only on the plane but I imagine that there's places down there badly need bridging, the MPA road badly needs sorting out. We've got to fill in the ditches, we've got to educate people, we've got a great deal to do over the next four years.

One of the advantages on being at this end of the table is you're normally one of the last people to speak. It has disadvantages in that people have covered a lot of the topics that you

want to and you don't have a lot to add to them but it also gives you the advantage of being able to take issue with something that another member has said and on this occasion I feel that I really must take issue with the Honourable Member for Stanley, Councillor Cheek for implying that FIBS gets censored. I've worked around there for 9 and a half years and I can honestly say that I cannot think of one time in that period when we have ever suffered censorship directly or otherwise. In fact I sometimes think that the Administration are probably quite surprised with some of the stuff we actually broadcast. They certainly don't know about it before it goes out.

Sir, in supporting the Motion for Adjournment I would like to thank the 245 people who made it possible for me to be here. I'd just like to end by saying that I don't just stand for those 245 but everyone else in the Falklands and I hope that they'll get in touch with me as and when they need to.

Sir, I support the motion.

The Honourable Mrs S Halford

Your Excellency, Honourable Members in rising to support the Motion for Adjournment I will probably now have the shortest speech on record. As I'm a newcomer here, I'm certainly not as I said in my election speech going to make any promises. First of all I would like to see what has happened over the past few years and take a lot of things from there. I realise that the next four years is going to be a lot of hard work and often no doubt I will have to make decisions that will not be popular, but I do guarantee that whatever decision I make I will stand by that decision and hopefully all of us together will work to preserve the way of life here and to better the Falklands generally.

Thankyou, I support the Motion.

The Honourable R J Stevens

Your Excellency, Honourable Members I stand to support the Motion of Adjournment. I would like to thank my proposer, seconder and everybody that voted for me. I believe the number of candidates and the high percentage of voters sends a clear message to the international community. I think we should be coming into a period of wise expenditure where we will be making every penny count and any capital projects should be value for money and give the greatest opportunity to a local workforce. On accountability of administration to Council I think its important in turn that elected Councillors are to their electorate with more information made available to the general public before decisions are finally made, just like the discussion paper that is coming up on oil. On Constitution I think the problems should be identified, the areas of concern and the practicalities and costs of changing the Constitution. I'm against changing the representation of Camp and Stanley. The Falklands is in a period of great change, oil is going to affect this equation. I would like to see a period of relative stability in revenue and an idea where our future oil industry is going.

In camp the population in my view is one of the most important issues. I believe Falkland Landholdings is contributing to this. I would like to see on the board a representative of the camp populace, one that would reflect the needs of the whole of camp. Certainly in Falkland Landholdings there is a breakdown in a structured population with the older members of the community who should be sharing and passing on their knowledge and experience instead of still working like youngsters. There's certainly a feeling of insecurity in Landholdings among the working people. More young families have to be encouraged out to camp if there's going to be a next generation on the land. The Stanley management of Landholdings is an

extravagance the industry cannot afford. I think most of, if not all, the work could be done on the farms. The bottom line, however, is that young families are not attracted to camp because of pay and conditions. I'm a great supporter of roads and I see the younger generation being prepared to go to camp or more prepared for easy access to the social and leisure amenities; and also roads will contribute to cutting costs to farms on the mainlands. Some people, even in camp, feel that some priority should be given to making the MPA road a lot safer with, what ever is necessary, to fill in those monstrous trenches either side of the road.

Again at the end of everybody else's speeches a lot of what I've just said is duplicated so I won't prolong my speech. A lot has been said and written over the last few weeks and I'll be concentrating on getting a grip with procedures and then working towards the goals.

I support the Motion Sir.

The Honourable the Financial Secretary

Your Excellency, Honourable Members in rising to support the Motion for Adjournment, I would also like to congratulate Councillors on their election. I look forward to a productive working relationship during the next four years for the overall economic benefit of our Islands.

On the subject of a Town Council we need to carefully examine the reasons why it was abolished in about 1973 before attempting to set up a new one. In response to comments from Councillors Luxton and Edwards, I can confirm that a scheme for the continuance of assistance to the farming community is planned to be put to the November Meeting of Executive Council. A reserved £500,000 pounds is allocated in the estimates for this. Last year's budget surplus was a windfall. Our financial position at the present time is fairly healthy. The budget review exercise of last year did provide the groundwork for a much more realistic expenditure programme this year, one that will not require any major review or adjustment. I can confirm that.

Thankyou Sir.

Commander British Forces

Your Excellency, Honourable Members. First and foremost I would like to take this opportunity to say how delighted and how honoured I am to be sent to the Falkland Islands to be the Commander British Forces. When I left Stanley airport on the 17th July 1982 in the same hercules in which General Sir David Thorne had arrived and I shook him by the hand because I had worked with him in Northern Ireland before and wished him luck I had no idea that 11 years later, almost to the day I would be returning here to be the Commander British Forces. It is genuinely the greatest pleasure for me to be back here and the warmth of your welcome to both my wife and myself has been quite marvellous and greatly appreciated by us both. Our three daughters join us on the 20th December for Christmas and I know that they are looking forward very much to their visit and with great excitement. Since arriving here on 3 August I have managed to visit all the bases where service personnel are stationed and I've also visited with my wife whenever possible, Stanley and several settlements. Again the warmth and welcome and hospitality in Stanley and in all these settlements has been exceptionally generous and it is clear to me from these visits and from meeting other Falkland Islanders during my travels that relationships between the military and the civilian population are very good indeed. I am extremely pleased that this is so and I would like to thank you all not only for making us the military so welcome but also, for the privilege of allowing us to use your land for training. I have been impressed by the enthusiasm and professionalism of the British Forces here and I believe that one of the main reasons for their sense of job satisfaction and their high morale is the fact that you have given them such excellent training areas and ranges on which to perfect their skills. In this connection we are all well aware of the need to treat the environment with respect and this is a topic frequently briefed to all our service

personnel. On a less congenial note and Councillor Edwards mentioned this subject you will all have read in the newspapers and heard on the radio about the United Kingdoms present financial problems and these naturally impinge upon us here. However we are an operational station and I know that the importance of continuing a strong Navy, Army and Airforce garrison here in the Falkland Islands is well recognised in the Ministry of Defence. With regard to what we can do to help you, military aid to the civil community is the official term we use. I am determined to help in projects whenever practical and financially feasible to do so.

We are also interested in employing local Falkland Islanders with the appropriate skills in our military bases and in buying local produce when the price and quality is right. I am confident too that our off duty service men and women will continue to provide a large number of tourists for the Islands tourist industry. Whilst I am here I aim to look carefully at those people at Mount Pleasant in key jobs who could stay a little longer than the six or 12 months that they presently spend here to the benefit of both the military and the civilian community. And whilst I'm on the subject of civil military matters, I would very much like to invite all members of the new Legislative Council to Mount Pleasant in the not too distant future for a briefing to see something of the base and the facilities there and to have lunch.

And finally may I thank you all again for your exceptionally warm welcome to me and to my wife and we look forward with great pleasure to our time here. Thankyou very much.

The Honourable the Chief Executive

Your Excellency, Honourable Members I would like to welcome the newly elected Councillors and look forward to Government working with you during your period of office.

As you indicated Your Excellency, what Government Administrations like is clear direction and clear leadership. We've had today a number of very positive proposals put forward which I think strike the right note in a great many quarters. It was interesting that the Honourable Member from Port Sussex was the only one that actually linked aspirations with what could be affordable but it'll be the Council's job to allocate the priorities and decide what can be afforded and what will have to be deferred or only partially implemented.

There is a need for close and continuing communication between the elected members and government staff and we have to find a simple way of achieving this very necessary objective because only when government staff know what is the consensus wishes of the elected members, can we actually get together and produce proposals for their review and for further discussion. We've seen examples in the past where there have been one or two members with bold and radical ideas and a considerable amount of time has been spent working on backup papers for such proposals only to find that they had no support within the majority of Councillors, so we're very keen to see a lot of the ideas that have been propounded at this meeting move forward, and my staff and myself will be very happy to work with Councillors on this. But we would want some assurance that this is going to receive a consensus approval before we spend a lot of time on the necessary foundations and spadework.

Mention was made of things having gone quiet on the PSAI claim. They've gone quiet only in respect that the matter is no longer hot news, nothing has changed. The Government continues to refute the spurious and outrageous claim that has been put forward by PSA. I can assure Honourable Members that it is already planned that at the first Executive Council meeting a resume of the whole of the PSAI debacle has been prepared at considerable length by the Attorney General so the new council will be fully aware of what has gone before and what we are proposing should be continued in the future. In essence it is, "you signed the contract, you got it wrong, we have no intention of paying you one penny more than the contract actually deserves that your entitled to" and there will be no change on that. No difficulty at all in giving an assurance that there will be a detailed plan on road construction to the next

appropriate meeting, no difficulty with that at all. I very much welcome the clear statement that Commander British Forces has given us indicating that the military will be further reinforcing their use of Falkland products and Falkland services. That's a very important aspect to the business community and a message that we're delighted to hear.

Your Excellency, I support the Motion.

His Excellency the Governor

Thankyou.

Good, well I think that being everything, I can say the house stands adjourned accordingly.

Confirmed this day 28th May 1994



GOVERNOR.

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RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY
ON
16 NOVEMBER 1993

RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL

HELD IN STANLEY

ON

16 NOVEMBER 1993

PRESIDENT

His Excellency the Governor
(Mr D E Tatham CMG)

MEMBERS

Ex-Officio

The Honourable the Chief Executive
(Mr R Sampson)

The Honourable the Financial Secretary
(Mr D F Howatt)

Elected

The Honourable W R Luxton
(Elected Member for Camp Constituency)

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

The Honourable Mrs Norma Edwards
(Elected Member for Camp Constituency)

The Honourable R J Stevens
(Elected Member for Camp Constituency)

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

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

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

The Honourable S Halford
(Elected Member for Stanley Constituency)

PERSONS ENTITLED TO ATTEND

The Acting Attorney General
(Mr R M Titterington)

The Commander British Forces
(Major General I C Mackay-Dick MBE)

CLERK: Mr Anton Livermore CPM

PRAYERS Reverend Canon Palmer LVO

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QUESTIONS FOR WRITTEN ANSWER

8/92	The Honourable R E Binnie and The Honourable H T Rowlands CBE (Road between PSA Quarry and Goose Green)
1/93	The Honourable Mrs N Edwards (Mermaid and Paragon)
2/93	The Honourable E M Goss MBE (Votes cast in 1993 Election)
4/93	The Honourable Mrs C W Teggart (FOCZ)
5/93	The Honourable J E Cheek (Agricultural Grants/Subsidies)

**RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL
HELD ON 16 NOVEMBER 1993**

Prayers were said by the Canon Stephen Palmer.

THE PRESIDENT

Honourable Members, we've got a full Agenda today - Questions, Motions and a lot of legislation - so I will be very brief; just to say how pleased I am to see you all and to make a public announcement on the subject of LegCo Standing Rules and Orders. It is intended to introduce the revised Standing Rules and Orders of LegCo at the meeting of Legislative Council scheduled for April 1994, so the Clerk has requested that a Select Committee of the House meet to discuss and approve the revision. I pass this to you for your consideration.

CONFIRMATION OF THE RECORD

The Record of the meeting held between 31 May 1993 and 4 June 1993 was confirmed without amendment.

PAPERS LAID ON THE TABLE BY THE HONOURABLE THE CHIEF EXECUTIVE:

Copies of Subsidiary Legislation made or approved by the Governor in Council since 5 June 1993:

Orders

Registration of Motor Vehicles (Amendment) Regulations Order 1993

The Post Office (Amendment) Order 1993

The Fishing Licences (Applications and Fees) Regulations Order 1993

The Harbour Regulation (Amendment) Order 1993

The Banking Regulations (Amendment) Order 1993

The Fishing Licences (Applications and Fees) Regulations Order 1993

Proclamations

1/93 Maritime Zone

2/93 Prohibition of Import, Export and transit of goods to Serb occupied areas of Bosnia and Croatia

3/93 The dissolution of Legislative Council on 1 September 1993

The Honourable the Chief Executive:

Your Excellency, I beg to lay on the Table the papers named by the Clerk.

QUESTIONS FOR ORAL ANSWER

Question Number 9/93 by the Honourable W R Luxton:

Your Excellency,

When transmission of television to the Camp began, an assurance was given that areas having difficulty receiving VHF signals from Mt Maria would be equipped with small repeaters. Would Government please advise how this project is progressing and state when places such as Roy Cove and Port Stephens may expect to share in this service?

The Honourable the Chief Executive:

Your Excellency, I am very pleased that the Honourable Member has given me the opportunity to update on this very valuable project.

The settlements mentioned by the Honourable Member were indeed predicted to be problem areas and SSVC fully appreciated that they would need to provide additional equipment. None of the areas are presently in receipt of television transmissions but SSVC are committed to providing the service to them. They have advised that a low powered transmitter has already been tested on Weddell Island and has given good signal relays to Port Stephens and South Harbour. This has been confirmed. The same transmitter was tested on Byron Heights on 15th of November for the relaying of television transmissions into Roy Cove and again a satisfactory signal has been achieved. Now that these tests have been completed the necessary equipment will be brought down and SSVC are planning that permanent transmitters will be operational at Weddell and Byron Heights to serve Roy Cove and Port Stephens by the end of March 1994. Because of the existence of a ready power source at Byron Heights it is just possible that the new transmitter for this location will be in place well before that date. I think that means that SSVC are very much keeping to their promise.

This may be an occasion, Your Excellency, for us to congratulate SSVC on 50 years' service. I know not everyone is fond of all their programmes all the time but they do provide a reliable service and we would be an emptier and less informed place without it.

The Honourable W R Luxton:

I thank the Chief Executive for that very comprehensive reply and I would like to second his congratulations to SSVC. Technically I think the service from Mt Maria is extremely good. There are just these few problem areas. Are there any other settlements that the Chief Executive knows of that can't receive it? I don't know any at the moment, but are there any other blank spots?

The Honourable the Chief Executive:

Indeed, Your Excellency, in addition to the two spots already identified, SSVC are actively involved in assisting to improve reception to some other parts of the Island. There have been some areas where the provision of filters, which are provided at no additional charge, has been necessary to alleviate interference from other VHF sources, which is primarily the Cable & Wireless telephone system. On the subject of television reception in Stanley, Bluff Cove and

the North Camp, SSVC riggers are currently working on a new mast at Sapper Hill and weather permitting they plan to have a higher powered service available to these areas in a few weeks' time.

Question Number 10/93 by the Honourable W R Luxton:

Would the Administration please consider establishing a system where persons wishing to send fresh or very perishable items to Camp may, having heard the flight announcements in the evening, deliver such items to a collecting point in Stanley the following morning so as to catch that flight, thus avoiding an expensive trip to the airport?

The Honourable the Chief Executive:

Your Excellency, just how expensive a trip to the airport may be I will be in a better position to advise the Honourable Member perhaps tomorrow. But I take the valid point raised by the Honourable Member. It is frequently the case that much of the aircraft's schedule is known before the evening broadcast, in which case general and perishable freight is received on behalf of FIGAS by the Post Office up till half past four in the afternoon. Ben's Taxi Service, on request, will collect from the home and deliver to Stanley Airport packages for carriage on the first and subsequent flights. This service is charged at the very attractive rate of 50 pence if the taxi has already been booked to carry passengers to the airport, or £4 if a special trip is necessary. The service has been working now for almost a year.

Under these circumstances Government would normally be reluctant to compete with the private sector and it would be unlikely to be fairly competitive on the charges being offered. However as there is a duty FIGAS vehicle that makes the journey through Stanley to the airport each flying day, consideration could be given to providing the facility requested by the Honourable Member. This could be arranged in co-operation with the Post Office, and we would suggest for a trial period. The Postmaster is happy to open the office between 7:00 and 7:30 during the week for the collection of items of this nature. An extra charge of perhaps £1 would be made per package in consideration of the extra work involved. Collection would be tied in with the FIGAS vehicle at 7:30 for delivery to Stanley airport. Should there be a consensus amongst Members that such a facility be introduced, I will undertake to consult with those involved and introduce firm proposals as quickly as possible.

The Honourable W R Luxton:

My thanks to the Chief Executive for that answer because I think the £4 that he refers to does make quite a difference to some people who wish to send things to Camp at short notice and if he is prepared to arrange that sort of service on a trial basis and see how it goes I think it would be much appreciated. Thank you.

Question Number 11/93 by the Honourable C D Keenleyside:

Could the Chief Executive outline the procedure followed by the Medical Department when responding to an emergency call. Also, are there any plans to speed up the response time?

The Honourable the Chief Executive:

Your Excellency, the great majority of emergency calls go direct to the Hospital. Should it be a 999 call to the Police use would then be made of the dedicated line from the Police Station to the Ward Station. The level of response is then dependent upon a number of factors: should the emergency require the immediate attention of a doctor, the duty nurse receiving the report would set in train the drill to provide this assistance. Some situations will be dealt with by

sending the ambulance and the appropriate trained support staff only. The time of the emergency call is a further factor. Should the request come out of normal working hours, delays can be expected due to call-out of staff, be they doctors or support staff at Hillside Camp or at home. The service could indeed be more efficient if staffing and dedicated vehicles were available 24 hours each day. However, evidence shows that the number of such call-outs of a serious nature out of working hours is small and that there is sufficient flexibility to allow a good response rate to the calls.

From February 1994 responsibility for the support staff will pass entirely to the civilian staff at the Hospital. Consideration might be given to the provision of on-call vehicles for such support staff, should a sufficiently strong case be made and the funding being available and voted for.

The Honourable C D Keenleyside:

Thank you for your reply. I think that any person who has had to initiate a 999 call out of hours knows the agony of waiting whilst the ambulance tears past to go up to Lookout Camp and come back regardless of how far away you are from the hospital, and the fact that the Police response is quick further underlines the fact that in real terms as seen by the customer, that is the taxpayer, the response in fact is slow and this I think is a point we need to address and perhaps make better provision for it as you have outlined in your reply.

The Honourable the Chief Executive:

Your Excellency, I would be very happy to consult with Members. It is a matter of staff and costs and if that is the will of the Council then provision can be made.

Question Number 12/93 by the Honourable C D Keenleyside:

What, if any, are the plans for the Wyseplan Units on the South Side of St Mary's Walk?

The Honourable the Chief Executive:

Your Excellency, the Wyseplan Units situated in the former Crown Agents Camp in St Mary's Walk are surplus to Government's requirements and it is planned that they will be sold by public tender along with other surplus accommodation units. The tender documentation is now in process of being prepared and it is expected to be issued within the next week.

The Honourable C D Keenleyside:

I thank the Chief Executive for his reply. My main concern over this was the fact that these units are in fact being vandalised and the longer they sit there the less they are going to be worth to anybody.

Question Number 13/93 by the Honourable C D Keenleyside:

When are the road works on Callaghan Road and Endurance Avenue planned to start and how long are they expected to take?

The Honourable the Chief Executive:

Your Excellency, Callaghan Road is scheduled for repair in the current financial year. Survey work and preparation of tender documents is currently being undertaken with tenders expected to be called in mid December, closing in early January. Work could reasonably be expected to

start therefore in February 1994. The works include provision of surface, sub-surface water drainage, construction of footways, curbing and surfacing. Endurance Avenue is scheduled for repair in the 1994/95 financial year. It should also be noted that the southern end of Villiers Street and Brisbane Road will be linked to Callaghan Road at the same time, funds permitting.

The Honourable C D Keenleyside:

I thank the Chief Executive for his reply and I am sure that people in those areas will be very keen to see the works done. Thank you.

Question Number 14/93 by the Honourable Mrs S Halford:

What steps have been taken to officially reclaim all that land over which the Stanley By-Pass, the Stanley-MPA, the MPA-Darwin Road and all other Camp roads have been built or, if this task is not currently in hand, when is it likely to commence?

The Honourable the Chief Executive:

Your Excellency, the Honourable Lady will be aware that when granting land in the Islands the Crown has for many years specifically reserved the right to resume some portion of land which it grants for road building and other purposes of benefit or advantage to the community. It is largely on the basis of these reserved rights and in consultation and agreement with owners of the land upon which roads have been constructed that the Government has proceeded with its road building programme. I am advised by the Acting Attorney General that the Government regards the roads which it has built and is caused to be constructed in Camp as public highways maintainable in the main at public expense. As public highways the use of these roads, the liability for repairing them and other conditions governing their use are more than adequately covered in the law relating to the subject. In those circumstances I am advised that no steps have therefore been formally taken to resume legal title to the land concerned. However, I hope that as the Honourable Member will appreciate, there appears to be no need for the Government to formally resume the land because of the operation of the law relating to the highways. This is a convenient position for us to reach because it avoids the administrative and legal work which would be involved in identifying every square metre of land upon which a road has been built for the routine purposes of formal resumption. This is an important issue and it may be a matter which the Honourable Member will wish to progress further. If so, the Transport Advisory Committee of which she is a member may very well support her view on this.

The Honourable Mrs S Halford:

Thank you for your reply.

The Honourable J E Cheek:

The Chief Executive says that these are public roads; could I ask if laws relating to things such as speed etc cover these public highways?

The Honourable the Chief Executive:

Yes, indeed they do.

The Acting Attorney General:

I take it you're talking about the speed of road traffic vehicles on public highways -

The Honourable J E Cheek:

Yes, and other matters such as drink-driving.

The Acting Attorney General:

That's not the case. It's rather a difficult subject because whether or not a highway is a road for the purposes of the Road Traffic Ordinance, is a different issue from whether or not the road is a highway. What I'm saying is that whilst all Camp tracks that we have constructed may be public highways, not all of them necessarily are roads. For example, the MPA to Darwin road whilst it is undoubtedly a public highway, is not a road at the current time for the purposes of the Road Traffic Ordinance and therefore none of the legislation relating to driving on that particular piece of highway apply: there is no speed limit.

The President:

What about insurance?

The Acting Attorney General:

There is no requirement for people who use that road to carry insurance cover when they drive vehicles upon it.

The Honourable J E Cheek:

Regarding insurance, as Government haven't seen fit to declare them as roads, I think that's the correct terminology, and if there's an accident, because there is no compulsion for insurance has Government any liability for not setting that in train?

The Honourable the Chief Executive;

I am grateful to my Learned Friend for his amplification. I am very conscious of the restrictions on the Stanley By-Pass road, the Stanley-MPA road is well known to be under the jurisdiction. The MPA-Darwin road is a matter which has been briefly considered by Councillors and it will be brought to their attention again and I believe that this is a road which should be taken and adopted as a highway with the necessary obligations regarding law and insurance.

The Acting Attorney General:

If I can perhaps make one additional point. The Honourable Member may recall that that particular road was de-designated, in fact, in order that it could be constructed and so that people working upon the road did not necessarily have to hold licences when operating plant there. It had previously been a road under the Road Traffic Ordinance. It may be that at some suitable stage Members may wish to reconsider designating that track as a road.

The Honourable W R Luxton:

Your Excellency, the first answer that the Chief Executive gave is a total surprise to me and is definitely new information as far as we are concerned. The Transport Advisory Committee in the past has pressed the Legal Department to resume the land involved in these roads and I

think the Legal Department at no stage in the previous Council advised the Transport Advisory Committee that it wasn't necessary. So I think we have new information and a new situation which I think needs to be thoroughly clarified.

Question Number 15/93 by the Honourable J E Cheek:

Would the Chief Executive please advise the current state of staffing in the King Edward Memorial Hospital in respect of both civilian and military staff. Are the numbers of civilian staff in post at the agreed levels?

The Honourable the Chief Executive:

Your Excellency, it has been agreed by the Falkland Islands Government and the Ministry of Defence that over the next three years the military staff will be reduced to comprise of a Theatre team, a radiographer, medical and dental technician and a pathology technician. A programme of re-scaling civilian posts to meet the establishment of suitably qualified personnel is in hand and has been produced in consultation with Headquarters, British Forces Falkland Islands. The number of civilian staff currently in post are at the levels agreed in the Cost Sharing exercise with the Ministry of Defence.

The Honourable J E Cheek:

I thank the Chief Executive for his reply.

Question Number 16/93 by the Hon W R Luxton:

Your Excellency, when I submitted this Question of course I hadn't seen obviously the Agricultural Assistance Paper which was dealt with by Executive Council this morning, so I now know the answer to the question. However, if I may I would still like to ask it because this is broadcast and I know my constituents will have a great deal of interest in the Financial Secretary's reply. The Question was,

Will the Financial Secretary please tell Council what progress has been made with the proposed Agricultural Assistance for this year and what form he expects it to take in view of the very low wool prices. In view of the very low prices received for wool does he appreciate the urgency of this?

The Honourable the Financial Secretary:

Your Excellency, I prepared two answers to this Question. I am pleased to be able to provide the first answer and that was that the urgency is of course appreciated and I can advise that the continuation of the Agricultural Assistance Scheme was approved by Executive Council today. Subject to confirmation by the Standing Finance Committee tomorrow, the £500,000 reserved under the General Warrant will be released to enable assistance to be paid in the following form:

1992/93 wool clip income subsidy: £475,000
Labour subsidy: £23,000 and a £2,000 contingency

Upon confirmation of the funding the applications will be forwarded to the farms. Payments will then be made during December following the return of the completed application forms.

Question Number 17/93 by the Honourable E M Goss MBE:

Will the Administration show some figures in proof that savings were made in paying off the more elderly, fairly low paid local workers employed by Government up to the crisis management period earlier this year?

The Honourable the Financial Secretary:

Your Excellency, the main objective of introducing a compulsory retirement age was not to save money but to provide employment opportunities for persons under retirement age. In certain instances a small amount of money has been saved because some positions from which officers were retired have only been filled on a part-time or temporary basis due to an adjustment of priorities and improved efficiencies. Also some savings have accrued by virtue of new post holders receiving salary at a lower point in the scale than those retired. However, I repeat that savings were incidental to the main purpose of helping to create job opportunities.

The Honourable E M Goss:

Your Excellency, I thank the Chief Financial Secretary for his reply but I am still a bit confused as to why at the same time parallel to paying off the more elderly paid workers we then had a lot of unemployment with the Special Employment Programme that was formed to take up the slack then.

The Honourable the Financial Secretary:

Your Excellency, the retirements only provided a certain number of opportunities and there was an unemployment situation before that and in fact the retirements did help the unemployment situation, it didn't solve it, but there were 19 posts that were subject to retirement, there were eight established posts and 11 unestablished posts. Of the eight established posts five of those were filled on a full-time basis, two on promotions and three transfers. These in turn created vacancies which were filled by two promotions and three people who were either unemployed or only had part-time employment. The two further posts have not been filled resulting in savings.

Of the 11 unestablished posts, five posts were abolished, resulting in some savings. Two posts were filled by transfers, one filled by promotion which in turn created a vacancy which was filled by transfer. That which was filled by transfer was then filled by an unemployed person. Two posts have not yet been filled but may at some future date and one other post was filled by an unemployed person.

So although the retirements did assist the unemployment situation they didn't solve it and hence the need for the Special Employment Programme.

The Honourable E M Goss:

I thank you for your reply, but I am not fully convinced that there were or you have proof of savings because proof of savings to me would be the cost of pensions and passages for those people retired early and the fact is that some were reinstated and they must be receiving pension or some compensation as well as carrying on with their work. But anyway I thank you for your reply on that one.

The Honourable J E Cheek:

One further question, it's just been touched on by Mr Goss, where an established staff member was retired and then because replacements couldn't be found to fill that job and they were

taken on again, were they taken on as an established post or were they taken on unestablished, which would have meant poorer conditions for them?

The Honourable the Financial Secretary:

I am not aware of any particular case that you mention but in the event that an officer retires from the service and receives a pension and then is engaged again, the practice has been for the person to continue to receive the pension and to receive payment for the services. In certain cases an established officer can be retired from the civil service and then taken on unestablished conditions, and also after the prescribed period earn a pension on the Unestablished Pensions Ordinance, but there was a case where a gentleman was retired and for welfare reasons was re-employed on a part-time basis so he received a gratuity and receives payment for his services.

Question Number 18/93 by the Honourable E M Goss MBE:

Your Excellency, now the dust has settled and the book is closed, can the Financial Secretary tell me how much Heritage Year celebrations cost the Colony in total?

The Honourable the Financial Secretary:

Your Excellency, the dust has not quite settled so the book cannot be completely closed but I can advise that at 30 June 1993 the actual net contribution by Government to the cost of the Heritage Year celebrations was £199,399.41. This contribution was made over three financial years and was properly authorised by Appropriation legislation. The Government is committed to a further contribution of about £3,000 to be paid in this financial year. It is anticipated that £4,600 will be recovered in respect of a donation for the restoration of Pump Green financed by Government in the first instance. As requested by Standing Finance Committee at its last meeting a complete breakdown of the Government contribution has been circulated to all Honourable Members.

The Honourable E M Goss:

I thank the Chief Financial Secretary for that reply. I'm quite pleased to learn that the money spent on the celebrations was spent over three years and I knew it was already approved of course but...some party!

The Honourable Mrs N Edwards:

Can I ask the Financial Secretary, Sir, what monies have been received from the sale of coins and stamps which was to have been taken into consideration in the expenditure for Heritage Year?

The Honourable the Financial Secretary:

Your Excellency, I do not have those figures before me but certainly there were considerable sales of the special Commemorative stamps and coins but I do not have the figures for the sales amounts; it is a fact, too, that the coins and stamps could have been issued irrespective of whether there were any celebrations, but by virtue of having the visitors in the Islands would have contributed to the increase in those sales and also contributed to the economy in other ways.

The Honourable Mrs N Edwards:

Thank you for that answer and my apologies, Sir, for being late.

The President:

Perhaps you could look at the figures and see if you could let Councillors have them, for stamps and coins; it would be interesting.

Question Number 19/93 by the Honourable J E Cheek:

Your Excellency, Honourable Members, would the Financial Secretary please say what is the current level of unemployment in the Islands and what percentage of unemployed receive Social Welfare payments?

The Honourable the Financial Secretary:

Your Excellency, the Falkland Islands Government does not maintain an unemployment register. This is because there is no requirement for people to register their employment status. There is no one receiving welfare benefit purely as a result of unemployment. The 17 recipients of benefits fall into three categories: old age pensioners, single parents with young children, disabled or partially disabled through ill health. The only way to assess the unemployment situation is by the number of applications for the Special Employment Programme and registrations with the job shop run by the Chamber of Commerce. On the 8th of November 1993 there were 10 persons engaged on the Special Employment Programme which was introduced on 23 August 1993. To date there have been 20 individuals working on the programme; seasonal work has removed several. On 8th of November 1993 there were 14 people registered with the job shop: four of these are working with the Special Employment Programme, and three are currently employed.

The Honourable Mrs W Teggart:

Can I just ask the Financial Secretary - there has been some concern expressed recently that the Special Employment Programme might be stopped; could perhaps the Financial Secretary give us an assurance that this is not going to be the case in the near future?

The Honourable the Financial Secretary:

Your Excellency, I am not aware of any plans to stop the Special Employment Programme. Funds were voted for employment assistance in the Budget and that has been allocated to the Special Employment Programme, and I can confirm that there are adequate funds to last the rest of this financial year for the scheme.

The Honourable the Chief Executive:

Sir, can I take this opportunity to say how very satisfied Members can be that the Special Employment Programme has been successful. I think it's given people the opportunity to have another chance, some folk have been able to prove that they can keep to employment procedures, that they can be given a reference to show that they are punctual, hard working. A number of them have been virtually head hunted from their jobs having been seen to be hard workers including Mr Sutherland, the organiser, he's been offered a full time position elsewhere. We are now dealing with much fewer numbers than earlier but there is no intention to stop the programme. But the very scaling down is due only to numbers. What we have done, and when I say we I'm talking about the committee which oversees it, is to make it

not too soft an option - we simply don't want to be paying people for wearing out brushes - and different types of tasks, a requirement that they are seen to be applying for jobs, a requirement that they are taking a positive interest in their own future is conditional now on being part of the programme.

The Honourable Mrs W Teggart:

I thank the Honourable Members for their replies. I was sure that this was the case but I hope that your answers will do much to allay some of the rumours that have been circulating over the last few weeks. Thank you very much.

The Honourable J E Cheek:

Your Excellency, slightly away from the Question, but I have been asked by members of the public whether this gang can extend their work to clearing up the Cemetery. It badly needs doing, we have some people there who presumably need some extra work.

The Honourable the Financial Secretary:

Your Excellency, I can advise that the clearing up of the Cemetery is one of the works that are scheduled to be done by the Special Employment Programme.

The Honourable Mrs N Edwards:

Sir, can I just point out that at the end of this year there will be approximately 20 young people leaving school who will be looking for jobs, and I think we would be well advised in advance of this happening to look seriously at more jobs by way of perhaps work in PWD, or further training overseas for these children. Some of them of course will go to Peter Symonds, some of them will not have enough GCSEs to go and yet they will be capable young people who will be looking for a future and perhaps we should look further into providing further education besides Peter Symonds for these people, in skilled jobs or perhaps in professions.

The Honourable the Chief Executive:

Your Excellency, the situation which the Honourable Member has identified has been brought very noticeably to our attention by another Honourable Lady from Stanley. It appears there is something of a baby boom this year as far as the Community School is concerned: 38 children are to leave school, only 18 of whom either have places in further education or jobs to go to, so we are looking at 20 slots to be filled. As a result of the Honourable Lady's initiative we have set up a small study group that is meeting tomorrow for the first time and amongst the proposals that she has put before us is that we have some youth training exercise with a proposal that Government may pay a proportion of salary gradually on a decreasing level as the young person becomes more skilled. There are also suggestions that greater use be made of the resources of the Community School and that perhaps training could be given in the workshops there for people who may find jobs in the community as trades people in the future. So a fairly broad band of special interest is being brought together tomorrow; it unfortunately conflicts with Standing Finance Committee but a full report from that meeting will be circulated to the Honourable Member and to all other Councillors. But I think it's an initiative that requires us to address it and see what can be done.

The Honourable Mrs N Edwards:

Thank you very much, Chief Executive, for your reply and I am delighted to hear that this is going ahead. I knew it was in the pipeline but I wasn't sure how far ahead we had got with it.

Thank you.

Question Number 20/93 by the Honourable J E Cheek:

Your Excellency, Honourable Members, would the Chief Executive please advise the state of the current contract for building the Community School. Have all remedial works required under the contract been completed, and if not will they be completed before the end of the contract period?

The Honourable the Chief Executive:

Your Excellency, the construction contract for the Falkland Islands Community School is in its closing stages, with only a few minor outstanding items of work and a few defects to correct. The final account is currently being negotiated between the contractor and the Quantity Surveyor and funds will not be fully released for the final payment until all the work is satisfactorily complete. It is expected that this will be over the next few weeks.

The Honourable J E Cheek:

Your Excellency, Honourable Members, I'm a little bit concerned about a number of leaks there were. I know a large number have been attended to but there were well over 30 leaks in the building and within the last 10 days I've known of leaks in the Sports Hall, someone complained when we had a strong southerly wind there were hailstones coming in which makes it rather dangerous for playing sports. I only hope that all these problems are solved before the completion of the contract.

The Honourable the Chief Executive:

Sir, I am grateful to the Honourable Member for mentioning the difficulties with the roof. I have been assured by the Director of Public Works that this was brought to the attention of the Quantity Surveyor and all are satisfied that the remedial action has been taken.

The President

Before we move on to Motions may I ask the House to excuse me for two minutes, I've just been called away, perhaps the Chief Executive would Chair the Session until I return.

MOTIONS

Motion by the Honourable W R Luxton:

That this House wishes to see the re-establishment of the Stanley Town Council at the earliest possible date. Accordingly it asks the Administration to make the necessary arrangements for this.

The Honourable W R Luxton:

Mr President, Honourable Members: in introducing this Motion I am fulfilling a campaign pledge, I suppose. It was interesting that most candidates who stood for election to this Council seemed to support it along with the wish for more open government and more accountability and so on. My colleagues have been kind enough to put me back on Executive Council and that seems to be where the majority of Stanley decisions on urban matters if you

like, finish up. As a member of Exco, I would prefer that these decisions were left to the people of Stanley and Executive Council, the point has been made by my Honourable Friend on my right, amongst others, is not an open place; Stanley Town Council meetings would be so, I believe.

I don't think it need necessarily cost more, or very little more. I would imagine that most Stanley Town Councillors would be on a voluntary basis and I think most democratic countries in the world do have two levels of government. That doesn't mean to say of course that we need to, but it seems a sound principle on a sound idea that the local government should look after the more mundane matters which leaves the national government a little more time to attend to those things which it needs to attend to.

If I may I would like to quote from Lord Shackleton, who was a wise and wily old bird, I believe, he's taken a great interest in these Islands, and I don't think we should dismiss his recommendations, which going back a few years, he said in his first Report, "Stanley Town Council was abolished a few years ago and there is no other counterweight to central government, nor training ground for Exco and Legco membership." In the recommendations at that time he said "We recommend the establishment of local community councils should be carefully considered" and that we should experiment with one or two councils for Stanley and an area of the Camp. I think it's worth pointing out that the Camp has taken the lead in this of course, there is a community council at Fox Bay which seems to work very well. I regard it as a shame that we haven't taken up his recommendation in Stanley. In another place he says, "We recommend the re examination of possibilities for fuller participation of the islanders in the running of local affairs, for example, through the establishment of community councils, at very least the restoration of Stanley Town Council." That was in 1982. And also in 1988 Bob Storey, who was a member of his original team in a report on Social Aspects of the Falkland Islands Situation, recommended that "the Stanley Town Council should be re-established, with powers to provide basic urban services and to express the legitimate concerns of the community."

I would like to see us look very seriously at the re-establishment of the Town Council and of course as a Proposer of this Motion I have the right to reply after other members have spoken so without further ado I will hand over to the Seconder of the Motion, the Honourable Mrs Teggart.

The Honourable Mrs W Teggart:

Your Excellency, Honourable Members, in rising to second the Motion for the re-formation of the Stanley Town Council I do so knowing that if we want to progress that this is something that we really have to do. I think the number of people who stood for election in the last General Election showed us that now we have a large number of our community who are willing to work for the benefit of the town and for the Camp and I think that with the future moving ever closer to the oil industry being established, the workload of both Executive Council and Legislative Council is going to increase tremendously. As most people are aware, the workload is not light and I am certainly in no way trying to wriggle out of any responsibilities that I have been elected to undertake, but I do feel that the reformation of a Stanley Town Council will remove some of the more mundane tasks from the ExCo Agenda. I think it's absolutely necessary that this goes ahead as soon as we possibly can. I also think that it is necessary that the Town Council doesn't cost us any more money than is currently spent on these affairs but I feel very confident that there are people who will undertake the tasks of a Town Council on a voluntary basis and will be more than happy to do so. We have a lot of members and off the top of my head I could actually name a dozen or so who I think would make excellent town councillors but people who I know wouldn't aspire to be legislative

Councillors and for that reason I can feel quite confident that we would have people who

would come forward to fulfil these tasks.

It has been suggested that a Town Council could be empire building and I don't see it that way at all. I think any successful manager or business person knows when to delegate responsibilities to someone a little bit lower down the ladder, and I think that with reforming a Town Council that is what we would be doing to perhaps leave certainly the Executive Councillors' ways clearer to concentrate on the far more important issues than whether the rubbish is being collected on time or what drain perhaps isn't functioning properly: those sort of items just should not appear on Executive Council papers. I feel very strongly that is something that should have been done a long time ago. When I first became interested in listening to election speeches some 30 years ago people, well, we had a Town Council but it sort of pottered along; since then in more recent years it fell by the wayside but everyone who's ever been elected said 'let's reform the Town Council' and it hasn't been done yet, and I feel very seriously that this is our way forward. It is something that is going to take, I believe, a great deal of discussion, but we must take the step now to set it in progress so, Sir, I have great pleasure in seconding the Motion.

The Honourable E M Goss:

Mr President, I think Councillor Teggart has it wrong that all Councillors used this as part of their platform. I have never suggested we should have a Town Council in Stanley and before I could support this Motion I would have to be convinced by the Financial Secretary that it would not cost us any more, because if we bring in these people from out of the community we are setting up another establishment that is going to cost us money. But I would like him to perhaps, if he knows the reason why the last Town Council was dissolved, and I'm sure they must have been financial, I would like to have those reasons and figures to convince me that in supporting this Motion I'm doing the right thing.

The Honourable R J Stevens:

Your Excellency, Honourable Members, it's a surprise to me that the Town Council is proposed by a Camper and it sounds as though two Campers have their reservations and my reservations are exactly the same as Eric's - the one of how it's going to be financed and if we remember that not so many years ago members of LegCo did their duties for next to nothing and now that's not the case; and I feel that if it was set up now for next to nothing eventually people would expect a wage. I don't think you get anything for nothing; so I also would have to be convinced that it was wise at this time.

The Honourable J E Cheek:

Your Excellency, Honourable Members, when I stood for Council this was not one of the subjects that I mentioned, I suppose if anything I would have called myself neutral on the subject, but since it became known that this Motion was coming before this House I've had a number of calls, all of them without exception have been against forming a Stanley Town Council. I've had no one supporting it, indeed one person who phoned me up this morning was on the last Town Council before it was finally dissolved and she was adamant that then it was a waste of time - that doesn't mean to say it would be a waste of time in the future, but certainly because of the feedback I've been getting I would be unable to support it at the moment.

The Honourable C D Keenleyside:

Your Excellency, I must agree with Councillor Cheek. I personally have received calls from people who do not support the re-establishment of a Town Council. My own view is that it would be another level of bureaucracy. I believe it would almost certainly be more expensive

than what we have, at present we cope with many of the items that need to be dealt with by a Town Council in the various committees, for example Building, Planning, Rates. on all of these areas there is, in my view, very adequate public participation. The Building Committee meetings, for example, are completely public, anyone can come in and see what's going on - I don't think there are any cover-ups or anything like that involved there. I also believe that the small amount of work that actually comes to Executive Council from any decisions that would have to be made which would relate directly to Council matters is small and I don't believe that they make up any significant amount of time we spend on anything. I don't support the Motion.

The Honourable Mrs N Edwards:

Sir, I tend to agree with the Honourable Charles Keenleyside and perhaps I feel like the Honourable John Cheek, rather neutral. I was a councillor for Stanley in the past and it is true to say that a lot of mundane matters came to the Stanley councillors; however I didn't feel that it put an undue strain on my job at the time as a councillor and it rather goes I think an awful lot of the Town Council work would come under the portfolio of PWD and I feel that it would be setting up yet another bit of bureaucracy which we are going to have to deal with and which like Topsy will grow and grow. Thank you, Sir. So I don't think I can support the Motion.

The Honourable Mrs S Halford:

Your Excellency, Honourable Members, I too have had several phone calls about the setting up of the Town Council and I must say that I've only had one in favour of this. Most people feel that if it was set up people although they say they would do it voluntarily inevitably they would not, and it might seem like a good idea, but having spoken to the people who have been on the previous councils I am not so sure that it is and I do believe we could cover most of what is expected, anyway, along with PWD and therefore I cannot support the Motion.

The Honourable The Financial Secretary

Your Excellency, I cannot convince members that it will not cost anymore, my initial views are that it would cost more. On 21 May 1973 the Stanley Town Council Repeal Ordinance 1973 was enacted without amendment. The proposer to the Motion before us was a member of Council at that time also. The minutes of the meeting do not record any objection to the Bill from any member. This Repeal Bill was followed by a series of Bills to transfer the responsibilities of the Stanley Town Council to the Government. These were all enacted and since then the provision of the municipal services to the town of Stanley have been carried out by the Government. Expenditure for the provision of the services is met from the Consolidated Fund which requires the approval of Legislative Council through the enactment of annual appropriation legislation. There is therefore no favouritism in the allocation of funds between the town of Stanley and Camp. The control is with all 8 democratically elected members of Legislative Council. When contemplating the re-establishment of a Town Council the reasons for repealing it 20 years ago do need to be borne in mind because many of them are still relevant today. The Chief Secretary in introducing the repeal Bill said in 1973, some of the things that he did say was that there has been a considerable amount of discussion concerning the repeal of the Stanley Town Council Ordinance and Government sought the advice and opinion of the Stanley Town Council, Committees of Executive Council and of a wider body of opinion as was able to do so and the arguments in favour of the abolition of the Stanley Town Council seemed to be overwhelming. He said that there was simply not enough work, simply not enough people, simply not enough problems for three Councils to deal with. The Stanley Town Council had always felt that its hands have been tied by the fact that it was too small to have sufficient funds to engage people to do the jobs that it wanted to do. Do we really want to continue the 20 year cycle of enactment and repeal, establishment and dis-establishment, for what purpose. The Stanley Town Council Ordinance that was repealed was

introduced 26 years before that in 1947? In 1973 it was repealed and now we are considering whether or not to look at the re-establishment of it and instead of a formal Stanley Town Council perhaps the use of more Committees' would be the better way to do it. For instance we have Committees now to deal with certain things in Stanley, we have certain Committees set up to deal with certain things in Camp and they advise Executive Council and Executive Council take the decision on their advice. But the re-establishment of a formal Council I believe would need to be properly justified for the sake of the tax payer. We should not repeat history particularly where lessons learnt would appear to advise the contrary. The raising of taxes to fund the staffing and operation of a Town Council are important matters to consider. It is worth noting on the enactment of the Stanley Rates Ordinance 1973, it was necessary to double the domestic rate and quadruple the business rate. Since then it has been necessary to increase rates each year by more than inflation to try to catch up on the previous 20 years when the Stanley Town Council failed to match the ever increasing cost of providing services with rates income. A Town Council, if it was to assume the municipal responsibilities of the government, would need to levy some form of tax to finance the provision of these services. The annual rates income that is generated today provides only part of the total amount needed for such services. The balance is provided from general revenues. Therefore unless rates were to increase by an unacceptable amount or to be replaced by some other unaffordable tax government funds would still be required to assist Town Council operations. In this situation it is difficult to imagine Legislative Council providing the Town Council with an open cheque. Consequently policy issues leading up to the expenditure of those monies would require the ultimate approval of Executive Council. The duplication of committee effort is obvious. The previous Stanley Town Council Ordinance of 1947 had 140 sections and 7 schedules, there were several other connected Ordinances which contributed to many more sections or schedules of legislation. All this would need to be repeated, probably expanded. Without doubt in my view the formation of a Town Council would increase the overall level of bureaucracy and costs. I have no evidence that any improvement to services or value for money would result.

Thankyou Sir.

The Honourable The Chief Executive

Your Excellency, I too had a look at the files like the Financial Secretary and I have here a note from the Minutes of Executive Council on 6 December 1972. "The Chief Secretary informed members there had recently been a considerable amount of discussion on the Town Council; whether it performed a useful function, whether it was not a rather cumbersome and unnecessary piece of machinery. The matter had been put to Members of the Town Council, it was their opinion Stanley would be more efficiently administered if the Councils' present functions were undertaken directly by government departments. Honourable Members discussed the matter and advised that the Town Council should be abolished and produced a plan for its present functions to be absorbed. It was noted in a number of existing Ordinances would require consequent amendment". The jobs that the Council did then, I was surprised at just how wide ranging they were and really quite sophisticated legislation was necessary to untangle the Fire Brigade and other matters that were the control of the Town Council. The alternative then would be to produce a Council that really did no more than sweep the streets and bury the dead as do some small Councils in the United Kingdom and I think that's unsatisfying for everyone. However there is no doubt from what the proposer and his seconder have said and from words that we have all heard from different people around Stanley there is a desire for other people to be involved in the Community and I think the Shackleton recommendation, that the proposer mentioned, particularly looking at Community Councils and I think for both Stanley and Camp it deserves further exploration. I believe that there is quite a roll and it may be that if the Community Council can show itself to be vibrant and work that there may then be some reason to build on that because Stanley is changing. The population is increasing, one would hope that the changes in Camp will lead with

transportation improvements, with one thing or another, to changes there and it may be that we are not being sufficiently alert to the Communities. Anyone who has attended from Government the Fox Bay Community Council will know that they are more than a paper tiger and you earn your keep when you go along to that meeting. I think we should look harder at Community Councils certainly. I believe that the case for a Town Council per se is yet to be proved. I recall that when the proposer came to Executive Council four years ago one of the first proposals he made was that Executive Council was handling far too much detail that should be either given to Officers or to Committees and it may well be that we should re-examine that because there are a number of things that appear regularly on the agenda that perhaps could form simply information papers. The thing is with the community the size it is that almost everything that comes along is an exception to the general rule and there has been pressure brought by some one to some Councillor to have it changed, therefore giving blanket approval for planning to be left there, or lands to be left there, you need to have the foolback position of being able to examine it but there is no reason why we couldn't have another good look at the agendas that we are handling and see if there are regular issues that you would want to see handled in a different way that would make Executive Council more efficient. But I think there is a very valid point in allowing the community to have a greater say and there may be a way of doing it rather than with a formal Town Council and we can sow some seeds in a Community Council or some other forum that would allow people to play a part.

Thankyou Sir.

His Excellency The Governor

Before I pass the word to the proposer to wind up I would just say that I think its been an interesting discussion and I have a lot of sympathy with what the Chief Executive has said. I too have felt that some of the items that have come up to Executive Council are really very trivial and should have been dealt with at a lower level and clearly the more involvement there is with the citizens of Stanley and the Government of Stanley the better. But I think that the proposers need to tell us a little more about what they really have in mind, who would pay for the work that the Town Council is doing? Would there be rates, would this be a real rate which met all the costs or would they expect a subsidy from central Government and then who does the work? Its not simply the question of Councillors who indeed may be voluntary but is there going to be a Secretariat? Who is going to issue the papers, keep the records and so on? Is this going to be a newly recruited official, who's going to do the work physically on the streets, who's going to mend the streets and so on? Is this going to be a Municipal Works Department or are they going to be discussing with central government over the use of PWD resources. So I think one has to look at all these questions but the idea which the Chief Executive put forward of some sort of Community Council or perhaps some large Stanley Committee taking in not simply Councillors but also other members of the community, is I think an attractive one. I think it perhaps needs a little more study but if no one has any more to say I will return the word to Councillor Luxton.

The Honourable W R Luxton

Your Excellency. The vote is a foregone conclusion, the Motion didn't have any support from any other members. I appreciate the constructive comments made by the Chief Executive and of course the Financial Secretary is correct in saying that I was a member of the Council rather a long time ago when it was abolished, but I think we can all admit to making mistakes. I think it was a mistake. It may have been changed but I think it was a mistake to abolish it. I'm surprised at the phone calls, I guess people tend to phone the Councillor that they think will agree with them. I've had a lot of support for it but there it is. I guess the Motion is undeniably lost, I'm sorry about that but I hope that we at least can pursue some of the ideas that the Chief Executive has put up and yourself. I do feel that a lot of stuff comes through

Executive Council that should be decided elsewhere. So thank you and I guess the motion should be withdrawn.

His Excellency The Governor

Well I think in that case we don't need to vote on this, as Councillor Luxton says it is a foregone conclusion. I think we might perhaps have time for one more Motion, if we may we will draw a line there. I would ideally like to stop at 12.30 if everyone agrees.

Motions

Motion proposed by the Honourable Mrs S Halford: That this house wishes to see the updating of local General Orders for the guidance and control of the Civil Service, these orders should be in place as quickly as possible and in any case no later than the end of June 1994.

The Honourable Mrs S Halford

Mr President, Honourable Members. Concern has been expressed that in recent years local general orders for the guidance and control of the Civil Service have either not been in place or have not been adhered to by both the civil servants and the administration alike. Without general orders the civil servant is unlikely to be aware of what is expected of him or what the basic rules are for the day to day running of the service. This has resulted in what can only be described as crisis management leading to discontent and uncertainty within the service. On entering the civil service members of it should be given, in addition to their letter of appointment, a copy of the local general orders which are mentioned in their letter of appointment.

The Honourable J E Check

Your Excellency, Honourable Members. I am pleased to be able to support or second this motion proposed by the member for Stanley, Mrs Halford. The proposer has had a keen interest in this subject for some time. Several years ago as a Civil Servant and as Chairman of the Civil Servants Association she was fighting this same battle. I hope that the response to this Motion is successful and is more than immediate than it was to her requests then. As a retired Civil Servant, compulsorily retired I have to say, and a Member of the Committee of the Civil Servants Association at the moment I too have a keen interest in the subject. The morale of the service is not I believe as high at the moment as it should be and one of the reasons is the lack of general orders for the officers to refer to. Such orders should be in place not only for the direction of Civil Servants but also for their protection and at the moment it appears that the administration has little trouble in being able to quote an order for the direction of officers but officers are unable to consult orders to ensure that they and the administration are following the rules. This is almost as if we were passing laws without allowing the public to know what they were until they broke them. So I repeat the request of the proposer that Standing General Orders be updated and be made available as soon as possible.

Thank you Sir.

The Honourable The Chief Executive

Your Excellency. I take no comfort in addressing this. There has been a shortfall on the part of government in producing the updated General Orders. This was an issue that was raised by

the last government and simply lack of resources, new priorities has kept putting this thing back and back. As I reported to Executive Council this morning I'm very pleased to say that we have reached a situation now where an advanced draft of the orders has been produced, it will in the next few days be provided to the Civil Servants Association, to Councillors, to the Attorney Generals Department, to yourself Sir, for people to comment on and make certain that we are getting these advanced drafts correctly. I would think it most unlikely that we will not hit the target date that the Honourable Lady has proposed for June of next year. I apologise that it has taken so long but there really have been so many other issues that have meant that this has kept going back and back. That said I don't believe that any officer has been disadvantaged. There has been no appeals to yourself or to the Secretary of State within the last three years, there doesn't appear to be any major flaw, but nevertheless the error has been in us not having these updated laws readily available and it's our firm intention to meet the request that has been made under the Motion.

Thankyou sir.

The Honourable Mrs S Halford

I must say that I do appreciate the time and effort that's already been put into the preparation of the general orders by the members of the administration but I must also stress the urgency and need for the Civil Service to have these orders and would hope that every effort will be made to try and get these out by 30 June although you have said that it may not be possible but once these orders are out I would then like to burden the administration further by asking that once these orders are in place they be followed by the implementation of departmental staff manuals for the guidance of the servants. Thankyou.

His Excellency

I understood that the Orders would be completed by 30 June.

Chief Executive

That is correct.

Adjourned for lunch

Motion proposed by the Honourable J E Cheek: That this house establishes a Select Committee of the whole of elected members to consider the need of having the Falkland Islands Constitution Order of 1985 amended and to report back to the next sitting of this House scheduled for April 1994

The Honourable J E Cheek

Your Excellency, Honourable Members. 8 years ago when we passed the current Constitution some of us believed that it would probably suit our needs to two or three Councils for eight or twelve years. We thought that by that time for example, and there are other reasons Councillors might wish to be more directly involved in responsibilities of Government and for that reason, those reasons require changes. However although such changes may still be required the intervening period other unforeseen events such as the movement of the Falklands population have brought additional pressures to the introduction of a new Constitution. As we heard during the recent election there are considerable differences of opinion between members regarding the need for constitutional change and instead of asking that we go straight into such a change I am proposing that we form a Committee that looks into the necessity for such a change and if we believe that such a change is necessary, if the majority of us believe that such a change is necessary, we then form a Committee which actually looks into such change. This

if you like is a half way house. I suspect if I called for a Committee for change at this point it may well not be passed. I'm hoping that Members will look on this suggestion favourably, it gives us a chance to look at what we think, what our constituents think and without having to come to any rushed decisions. I ask that the House supports this Motion.

The Honourable Mrs N Edwards

Your Excellency, Honourable Members. In rising to support the Motion I may say that over the past four years there has been times when its been muted that the Constitution needs to be looked at. We have had it now since 1985, I think or 1986 and although it doesn't need a great deal of change I feel there are small parts of the Constitution which might need amending so I have pleasure in seconding this Motion and I'm pleased to hear the Honourable John Cheek to say that he is suggesting a Select Committee to look at the Constitution, not that we want changes per se but so that we have good time in which to study it to see which part if any need change. My own personal feeling is that possibly we could do with some more Members on Executive Council. He's right when he says that the population of the Islands has changed in the last ten years, it certainly has. However I would be opposed to any kind of proportional representation so it really needs a lot of discussion and it also needs, I think, a paper go to the general public after the Select Committee for comments from the general public. It's their Constitution, not ours and I wouldn't like to be seen to be messing about with the Constitution without the will of the people behind me. Thankyou Sir, I second the Motion.

His Excellency The Governor

Does any one on the Administration wish to speak?

The Honourable The Chief Executive

I support the Motion Your Excellency. I think its time that a number of aspects of the Constitution were reviewed and we would be very happy to co-operate in any way to make this happen. I'm just a little nervous about the Select Committee being of the whole House because there have been times in the past when having a Select Committee of that size has actually stopped things happening and it may be well to choose the right form of words that would allow an active group to get on with the work and in such a way that it can report regularly to all Members but I think if you limit yourself to a Select Committee that involves all members it may be difficult to have many meetings of that, particularly between now and April. But with that one reservation, I wholly support the Bill and would be anxious to work with those involved Sir.

The Acting Attorney General

I would just like to endorse the Chief Executive's remarks in relation to the Motion. I'm sure we in the Attorney General's Chambers would be happy to assist the Select Committee if they felt it appropriate and to advise in relation to any ideas that may be put forward. I wholeheartedly support it Sir.

His Excellency The Governor

Well if I could just say a word. I too support the Motion, I think this is a very sensible way of preceding, I have the same slight reservation that the Chief Executive does, it may be difficult to collect everyone together for a Select Committee frequently enough to really push the work forward but that is really a matter for Councillors to decide on, practicalities. And I would just say as I said at my speech at the opening of this Council, I think its important to get it

right, to make our own minds up and make sure that whatever we put to London has got, if possible, universal support if not very general support; and that it makes sense in terms of the size of the colony and the particular political environment which seems to me to be one that so far has been opposed to political parties. This effect has to be taken into account of as it makes actually government slightly more difficult if there is not the discipline of the party. I think its something we discussed when the Chief Minister of Gibraltar was here as although Gibraltar in some ways is ahead of us in ministerial government, it has a Chief Minister that is possible because they have a party system, because there is a degree of discipline. And the leader of the party is elected on a given platform. But with those observations, I too support the Motion.

The Honourable J E Cheek

I welcome the tacit support, at least not any objections to it. I must stress again that what I'm proposing is that members look to see if there is a consensus to go ahead with changes to the Constitution. This will not be changes as such. This is why the period is so short, its the shortest period we can have between now and the next meeting of this Council. If we have that consensus at that time we can choose a Committee we believe is suitable with, I personally believe, the ability to co-opt experts on to it to advise us if that is the wish of and the report of this Committee that has now been formed. Thankyou Sir.

His Excellency The Governor

Well if there are no voices against, I declare that the Motion is carried. Thankyou.

Good, now I think we move on to the legislation.

ORDERS OF THE DAY BILLS

The Nuclear Safeguards Bills 1993

The Honourable The Chief Executive

Your Excellency. This Bill makes provision for giving effect to an international agreement made between the United Kingdom Government on behalf of itself and certain other territories including the Falkland Islands, the European Atomic Energy Community and the Agency for the application of the safeguards in connection with the Treaty and for the prohibition of nuclear weapons in Latin America. I beg to move the first reading of the Bill.

The Bill was read a first time.

The Honourable W R Luxton

Mr President, Honourable Members. I have one reservation about the Bill and not to beat around the bush and I wonder whether it is conceivable that an inspector who may be sent to the islands could be an Argentine citizen. If this is remotely possible then I would feel that I couldn't support it.

His Excellency The Governor

Thankyou. You kindly raised this point at a previous meeting of Executive Council and I sought guidance from London on it and I will read the guidance I received. I should recall that the Commander British Forces was also uneasy about the same point. The situation is that the "Safeguards Inspector can only be designated to the Falkland Islands if he has already been

accepted by the UK and by Uramatom who have the power to object to candidates who have been put forward by the Director General of the International Atomic Energy Agency. In the highly unlikely event that the International Atomic Energy Agency should nominate an Argentine we are therefore confident that the nomination would not be accepted. Councillors may also wish to note that a Safeguards Inspector is an international civil servant who owes his allegiance to the International Atomic Energy Authority alone. The likes of access of agency inspectors are restricted to the limited areas specified in the relevant articles of the British/IAEA/Uramatom Safeguards agreement". So I think that this point has been taken on board and that we are confident that in the unlikely event that an Argentine being designated to do this inspection we could in fact block such an appointment. This is a fairly strong assurance from London and I think we can relax on that issue. It was an issue well worth raising. Are there other points any one wishes to raise?

The Honourable E M Goss

Your Excellency, Honourable Members. I would just like to understand more clearly under 12 why these officers have been or are exempt from Income Tax and likewise exempt from Customs Duty and Taxes. Is there an explanation for that?

The Acting Attorney General

If I can come back on that one. I understand that most of the exemptions and the immunities listed in the schedules are given in the accordance with international diplomatic conventions and as the Governor mentioned the inspectors and officers are international diplomats if you like, responsible to the international authority and these particular exemptions are consistent with the sorts of exemptions which are given to similar officials throughout the world in connection with these types of matters.

His Excellency The Governor

The point is that these sort of exemptions are put in to protect to say Officers/Inspectors in a country like Iraq where they could otherwise be arrested by the Government on some sort of flimsy pretext. It's almost impossible that they would actually be applied in this Country because the people wouldn't be here long enough to pay income tax or so on. They are the sort of privileges that we would accord to say the Consul from the French or German Embassy or Japanese Embassy if they ever came down here. We would not tax them, we would not charge them duty on their goods because they would have diplomatic status: but I think it's a problem that is unlikely to occur because if the Inspector comes down here he would only stay a week to look around and go, so I think its not a problem we need be too worried about. As the Acting Attorney General says it is included because it is included in every other Country and that's the reason.

The Bill was read a second time. In the Committee stage clauses 1-8 were adopted as part of the Bill. The Schedule was also adopted as part of the Bill with a minor amendment.

The Acting Attorney General

Sir, I think there is one minor amendment that we need to make to part 1 of the Schedule, this is on page 5. Paragraph 3. I think that a line has been omitted from the text as it doesn't actually make sense in that form. I think at the end of the first line of paragraph 3, the words "be immune from suit and legal process and such immunity shall" should be added.

Council resumed. The Bill was then read a third time and passed.

Elected Councillors Allowances (Amendment) Bill 1993

The Honourable The Financial Secretary:

Your Excellency. This Bill provides for the daily overseas and attendance allowances payable to elected Councillors to be subject to income tax and medical services levy at the self employed rate with effect from 1 January 1994. The annual allowance of £2500 payable to each member to continue to be exempt from income tax and medical services levy. In connection with this Bill I can report that the Elected Councillors Allowance Ordinance 1990 replacement of scheduled order 1993 was confirmed by Executive Council today. The order sets out the new rates for allowances for elected members of Legislative Council with effect from 19 October 1993. The daily allowance for attendance at meetings has been reduced from £200 to £50 but it will now apply in respect of all Committee Meetings at which an elected member attends as a member appointed by Executive Council. It is payable only once in respect of any one day. It was agreed at Executive Council today that the General Purposes Committee would qualify as a meeting. Previously the £200 daily allowance was only payable in respect of meetings of Executive Council, Legislative Council and sub committees of Legislative Council such as Standing Finance Committee. The order also provides for all elected members to be reimbursed for the rental of a fax machine at their home address and one third of the charges incurred for local calls. Camp Councillors already receive this allowance. At Executive Council today it was also agreed that provision should be included to permit camp Councillors to claim a £50 daily allowance for travelling to a meeting where an attendance allowance is payable. In those cases only one allowance to be payable in respect of any one day also. I beg to move the first reading of the Bill.

The Bill was read a first and second time.

The Honourable W R Luxton

Your Excellency, Honourable Members. I'm glad that this has finally reached this stage, I believe it's an improvement on the previous rates in that it removes a number of rather ridiculous anomalies in that under the previous Ordinance even a very short meeting entitled a Councillor to a payment of £200 whereas the same £200 was payable in respect of a week long meeting of Legislative Council at Budget time. I believe this is a rational approach to it in that it gives an allowance at a reasonable rate and it will be directly proportional to the amount of time that a Councillor spends on Council business and that some Councillors who work very hard in some of the Stanley based Committees, Housing Committee and so on who spend a lot of time will be reimbursed for that. Those meetings of course under the previous scheme were not entitled to any allowance so I have pleasure in supporting the Bill.

The Honourable J E Cheek

The Honourable Members. I too support the Bill. When the Bill that it amends was passed I was involved in it. We tried to keep it as simple as possible, hence the £200 for what we thought were the important meetings. Obviously there were problems with that, most of them which have been pointed out by my Honourable Colleague on my left. Another one I believe, there was some concern by members of the public that the old system might have meant that some Councillors only attended for those meetings for which they were paid. I'm sure that that didn't happen but at least we can put those who elected us, their minds at rest. One other point, I think I'm correct in saying that on an annual basis from now on details of each Councillors earnings/payments will be made at the end of each year, obviously so it can be seen what each of us may have been given over that period. Thankyou Sir.

The Bill was then read a second time. In the Committee stage clauses 1-2 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

Firearms and Ammunition (Amendment) Bill 1993

The Honourable The Chief Executive

Your Excellency. This Bill seeks to make a number of small amendments to the Firearms and Ammunition Ordinance of 1987. All of these would be made by the schedule to the Bill. In the main, we're talking about an amendment to the Ordinance that would allow the Governor to make specific exemptions and to close the loophole concerning the discharge of a firearm over other land. I beg to move the first reading of the Bill.

The Bill was read a first time.

The Honourable J E Cheek

Your Excellency, Honourable Members. I wish to support the Bill but I would like to introduce at the Committee stage a slight amendment. This would allow when the firing of firearms stopped in a particular area you can specify the particular type of firearm. And particularly thinking of some areas around Stanley which it may be considered wise to stop the firing of firearms and certainly I would agree in the case of rifles or pistols but I believe its unwarranted to stop the use of shotguns. This amendment I believe would allow us to specify which type of weapon you could stop. Thankyou Sir.

The Honourable C W Teggart

Yes, Your Excellency, Honourable Members. I would like to support this Bill as well because I think it was largely due to myself visiting a solicitor on a particular occasion and that this loophole came to be discovered and I think that the one thing that we've got to do is close up the loopholes that we do have in our laws. So it gives me great pleasure also to support this Bill.

The Bill was then read a second time.

The Honourable J E Cheek

In clause 2, specifically clause 2 (1)(d) may I propose the following amendment: that the first word after (iv) the word "in" be deleted. Also in 2(1)(d). At the end of that section (iv) after the words "a firearm for specified purposes", add "or to the discharge of any firearm of a specified type, make or description" and that is followed by the fullstop that is already in the Bill. Thankyou Sir.

The Acting Attorney General

Yes Sir. I agree with the proposal that's been made by the Honourable Member. It has the effect of making the amendment that he seeks to make and enables exemptions to be granted in relation to specific types of firearms he's outlined and I'm happy with that.

In the Committee stage clauses 1 and 2 and the schedule were adopted as part of the Bill as amended. Council resumed.

The Bill was read a third time and passed.

Medical Services Levy (Amendment) Bill 1993

The Honourable The Financial Secretary:

The purpose of this Bill is to increase the contribution payable by Employees from 1% to 1.5% with effect from 1 January 1994. The increase was approved by the Select Committee on the 1993/94 estimates. The increase means that the employee and employer contribution will be equal. It is estimated that additional revenue of £50,000 per annum will accrue to Government from this source. I beg to move the first reading of this Bill.

The Bill was read a first and second time. In the Committee stage clauses 1 and 2 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

The Land (Amendment) Bill 1993.

The Honourable The Chief Executive

Your Excellency, this Bill is intended to provide a simplified, shorter and less expensive method for a person to put right gaps in the documentary title to land or to obtain registration of title when title has been obtained to it by continuous and uninterrupted possession of it for the legally required period. In the normal case subject to technical exceptions which are of no or very little relevance in the Falkland Islands a period of 12 years. I beg to move the first reading of this Bill.

The Bill was read a first and second time. In the Committee stage clauses 1 and 2 and the schedule were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

The Crimes (Amendment) Bill 1993

The Honourable The Chief Executive

Your Excellency, this Bill if enacted would repeal a number of provisions of the criminal law of the Falkland Islands which are no longer necessary. The reasons in relation to which they are no longer necessary have been fully explained in the memorandum to the Bill. I beg to move the first reading of this Bill.

The Bill was read a first and second time.

The Acting Attorney General

I have a point to make in connection with the inclusion in the schedule of section 9(p)(1) of the Road Traffic Ordinance. I would ask the House to consider that the reference to that Ordinance in that particular section is removed so that the offence under that section remains on the Statute book. The reason for that is that in relation to that offence the police have a specific power of arrest, whereas they do not have a power of arrest it would seem in relation to the offence under section 12 of the Theft Act which is a parallel offence. The offence itself relates to the taking of a motor vehicle without the consent of an owner and its not appropriate at this stage. We should perhaps leave the local law as it is, the power of arrest intact and to repealing this section at a later date but preserving a specific power of arrest. I propose Sir that the reference to the Road Traffic Ordinance and to section 9(p)(1) of that Ordinance is removed from the schedule.

In the Committee stage clauses 1 and 2 were adopted as part of the Bill. The schedule was adopted as part of the Bill with section 9(p)(1) Road Traffic Ordinance being removed from it. Council resumed. The Bill was read a third time and passed.

The Administration of Justice (Amendment) Bill 1993

The Honourable The Chief Executive

Your Excellency. This Bill seeks to make a number of desirable amendments to the Administration of Justice Ordinance, some of which are regarded as being urgent. The effect of the amendments has been fully explained in the memorandum provided. I beg to move the first reading of the Bill.

The Bill was read a first and second time. In the Committee stage clauses 1 and 2 were adopted as part of the Bill.

The Acting Attorney General

Sir, there are a number of amendments to the schedule which I would like to introduce for all Members today. These are amendments which were discussed in Executive Council earlier today and really come about by a result of some suggestions that had been agreed between the Senior Magistrate and the Attorney General before the Attorney General left the Islands, but which appear to have been omitted from the form of Bill that was published in the Gazette. The first amendment in the schedule would be at page 32 of the addition of this Bill as it appears in the Gazette, paragraph 3 sections 7(c), 7(d) and 7(e) of the Ordinance itself are replaced by a number of provisions laid out under the paragraph. At 7(c)(ii) there is a list of offences which will be triable only on indictment, that is before a Judge and Jury. There is an omission from that list and that is in relation to any offence under any provisions of the Geneva Conventions Act 1957, effectively war crimes which of the nature before it is submitted should be tried before a Judge and Jury, and therefore the amendment that I would propose is that subparagraph (h) the word "and" is deleted: there is a new subparagraph (i) which would read "any offence under any provision of the Geneva Conventions Act 1957; and (j)" so that the final subparagraph lettered (i) would change to (j).

The next amendment is in relation to subsection 4 of 7(c) which appears at the foot of page 32, the subsection as it appears in the Bill is designed to enable the Senior Magistrate to use increased powers of sentencing, however, what is omitted from the subparagraph is power to enable the Senior Magistrate to make compensation order of an amount above that prescribed by section 44(2) of the Criminal Justice Ordinance 1989, which I think restricts the Senior Magistrate to making an order limited to £2500. I would then therefore propose Sir, that we added the words at the end of subsection 4 as follows: "and where it makes a compensation order it shall not be limited as to the amount of that order to the amount prescribed by section 44(2) of the Criminal Justice Ordinance 1989".

The next amendment Sir, is on page 33 of the Gazette at 7(d) subsection 2. That subsection as drafted prevents the Senior Magistrate from sitting as a Justice of the Peace composing the Summary Court: it is suggested that that restriction on him is removed and therefore the words towards the end of the second line "except that he shall not be" will be deleted and the rest of the subclause would be deleted. All words after that, so the third line comes out and the word court on the next line comes out as well. So that the amended subsection reads "the Senior Magistrate is by virtue of his office a Justice of the Peace and may exercise all the jurisdiction powers and authority of a Justice of the Peace."

The next amendment Sir, is at the foot of page 33, subparagraph (g) of 7(e)(i) and I would submit that the following words should be inserted in the second line of that subparagraph after the word "owing" and the words would be "at the date of commencement of the proceedings". That amendment is proposed so that it is possible for the court to be precise about the amount of money that may be claimed in an action for the purposes of establishing whether or not he has jurisdiction.

The next amendment Sir, is on page 34 midway down the page at the letter (c) which is under subparagraph 2, I would propose again that some additional words are inserted at that subparagraph in the first line of (c) after the word "England" and the words would be "are exclusively within the jurisdiction of and". So that subclause (c) now reads "any action or proceedings of the kind or nature which in England are exclusively within the jurisdiction of and if commenced in the high court would be assigned to the family division of that court." That enables a party to have flexibility of going to the Magistrates Court in relation to certain matrimonial proceedings which the former wording precluded.

The next amendment Sir, is on page 36 of the Gazette, paragraph 7, I would suggest Sir that paragraph 7, 8, 9 etc through to number 14 are renumbered 8, 9, 10, 11 through to 16 and there is a new paragraph 7 inserted after paragraph 6 and that paragraph would read as follows: "Section 28 of the Ordinance is amended by deleting the words from "shall be" to "imprisonment" appearing after subsection (e) thereof and replacing them with the following "commits an offence and shall be liable on conviction to a fine not exceeding level 6 on the standard scale or to imprisonment for a term not exceeding one year or both a fine and imprisonment". That provision tidies up the Administration of Justice Ordinance. You will recall I mentioned earlier Sir, that in the Bill we have listed those offences which are to be now only triable on indictment. Section 28 of the Ordinance as it stands refers to various offences involving interfering with Jurors and Jury's, it makes those offences triable on indictment, it is submitted so that that reference to indictment should come out and be replaced by the wording I have just given and that at the same time the fine, which at the moment is limited to £100 is increased to level 6 which I think is to a maximum is £6,000.

The next amendment Sir, is on the foot of page 47, at paragraph 12 which we have now renumbered 13, this has the effect of replacing section 47 of the Ordinance which deals with the time limit within which prosecutions need to be brought for some particular offences. That subsection 2 of 47 which is the last subsection on page 37, and there are now listed those offences to which there is no limitation in time for bringing a prosecution: I would propose Sir, that there is added to that list, any offence under any provision of the Geneva Conventions Act 1957, again the war crimes provision. So the amendment would be in the 2nd line to delete the word "or" where it appears before "piracy" and then insert the phrase after the word "piracy" "or any offence under any provision of the Geneva Conventions Act 1957".

The final amendment Sir, is at the bottom of page 38, what was paragraph 13 and is now paragraph 14, the reference to number 15 should be deleted and replaced by 51 that is a typo, and those are the proposed amendments.

His Excellency the Governor:

These amendments are to the Schedule or the clauses?

Acting Attorney General:

To the Schedule.

The Schedule as amended was adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed

The Licensing Amendment Bill 1993

The Honourable The Financial Secretary:

Your Excellency, the purpose of this Bill is to bring into force on the 1 January 1994, the increases in fees for intoxicating liquor licences, imposed under the Licensing Ordinance and agreed at Budget Select Committee. The details were announced at the time of the Budget and have been published in the Gazette.

The Bill was read a first and second time. In the Committee Stage Clauses 1 - 4 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

The Supplementary Appropriation (1993/1994) Bill 1993

The Honourable The Financial Secretary:

Your Excellency, this Bill provides for supplementary expenditure amounting in total to £493,000 authorised in the first instance to be advanced out of the Contingency Fund to meet urgent and unforeseen expenditures by the issue of contingency warrants numbers 1 to 4. The enactment of this Bill will permit the Contingency's Fund to be replenished by the withdrawal of £493,000 from the Consolidated Fund, pursuant to the provisions of the Finance and Audit Ordinance 1988.

The Bill was read a first and second time. In the Committee stage Clauses 1 and 2 and the Schedule were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

The Supplementary Appropriation (1993/1994) (No 2) Bill 1993

The Honourable The Financial Secretary:

Your Excellency, this Bill and the following two Bills are delivered under a Certificate of Urgency, which I lay on the table.

Clause 2 of the first Schedule to this Bill provide for supplementary expenditures of £4,800 authorised in the first instance to be advanced out of the Contingency Fund to meet urgent and unforeseen expenditures by the issue of contingency warrants numbers 5 and 6. Clause 3 of the second Schedule to the Bill provide for other supplementary expenditures of £41,360 approved by Standing Finance Committee on 22 October 1993. The enactment of this Bill will permit the Contingency Fund to be replenished by the withdrawal of £4,800 from the Consolidated Fund and authorise the withdrawal of £41,360 for the non urgent expenditure from the Consolidated fund pursuant to the provisions of Finance and Audit Ordinance 1988.

The Bill was read a first and second time. In the Committee stage Clauses 1 to 3 and Schedules 1 and 2 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

The Income Tax (Amendment) Bill 1993

The Honourable The Financial Secretary:

Your Excellency this is an amended version of a bill published in the gazette in June 1993. Since then consideration has been given to comments received on the package of changes

proposed for Falkland Islands tax legislation in the discussion paper published in August 1993, which included a commentary on the Income Tax (Amendment) Bill 1993. As a result of the comments received several small amendments have been made to the Bill.

Before I explain the detail of the Bill it would be helpful if I provide the following background information for the benefit of newly elected members.

In 1990 the FIG commissioned a UK based accountancy firm to undertake a study of Falkland Islands tax legislation. As a result of this a series of amendments were introduced to the Falkland Islands Income Tax Ordinance in 1991. The tax study report identified the need to redraft the income tax ordinance which had been amended so many times that it showed various inconsistencies which were difficult to remedy by any less drastic action. A tax review committee was formed in March 1993 for the purpose of advising Executive Council on matters of tax reform. The Committee has been engaged in the continuation of the process started in 1990 including the redrafting of tax legislation and detailed examination of the policy matters deferred during the first phase. The Committee recommends early implementation of various points and it is these that are included in the Income Tax (Amendment) Bill 1993. The Bill consists of 8 clauses 1 and 2 of which are self explanatory. Clause 3 would make various amendments to the income tax ordinance with the end result that maintenance payments would be removed from the Falkland Islands tax net. At present maintenance paid under the Falkland Islands or United Kingdom court orders is taxable income in the hands of the recipient and a deductible expense for the payer. The proposed changes to the ordinance will allow the tax treatment to the existing, on 1 July 1993 Falkland Islands court orders to continue unchanged, while existing United Kingdom maintenance arrangements made through court orders and all new Falkland Islands or United Kingdom court orders will be removed from the Falkland Islands tax net. As a transitional measure, any Falkland Island court order applied for before the 1 July 1993 but implemented during the period 1 July to 31 December 1993 will qualify for tax relief and be taxable income in the hands of the recipient. This transitional arrangement was not included in the original Bill. Clause 4 would insert a new subsection 12(c) to the Income Tax Ordinance and would make a minor amendment to section 10 (3)(a). The new subsection would provide the Commissioner of Income Tax the powers to prevent tax avoidance by thin capitalisation. Thin capitalisation meaning the artificial depression of taxable profits of a non resident owned Falkland Islands company by the provision of debt rather than by equity finance. Interest paid qualifies for a tax deduction thereby reducing taxable profits. Clause 5 would remove the allowance for a relative in charge of children and would insert a new section 15(a) to provide a new allowance for single parents of £1,100 pa. This new allowance would help offset the additional expenditure faced by single parents bringing up a child or children. At present a married man can claim basic deductible allowances of £5,200 whereas a single parent with somewhat similar levels of basic expenditure as a married man can only claim £3,200 basic deductible allowances. It should be noted that the new allowance will be the same regardless of the number of dependent children. It is intended that this allowance be introduced with effect from 1994 of assessment and will therefore be claimable against 1993 income. The original Bill has been amended to provide for the apportionment of this allowance for a part year, for example, if a person becomes a single parent on 1 August they will qualify for a single parents tax allowance of £458.33, that is 5 twelfths of £1,100. Clause 6 will amend section 16 of the Income Tax Ordinance to change the qualifying age for the old age relief allowance from 60 to 64 years of age. New subsection 16 (3) and (4) are proposed to specify that persons who are in receipt of a Falkland Islands Old Age Pension from the age of 60 but below 64 would also qualify for an age allowance proportional to the amount of Falkland Islands Old Age Pension actually received. Now for persons who are 64 years or over who do not receive a Falkland Islands Old Age Pension to receive an allowance equivalent to a Falkland Islands Old Age Pension that would have been received had they qualified for a Falkland Islands Old Age Pension and clarification. It should be noted that widows may qualify for a Falkland Islands Old Age Pension at the age of 60 and immigrants of advanced age may in some cases not qualify for a

Falkland Islands Old Age Pension. Clause 6 of the original Bill has been modified to include an additional sub clause 5 which defines the meaning of Old Age Pension in that particular clause. Clause 7 provides for the new sections 26(a), 26(b) and 26(c) after section 25. The addition of these new sections will provide the Commissioner of Income Tax with powers to prevent tax avoidance by special transactions being made between associated persons, otherwise known as transfer pricing. This clause is amended by deleting "26(b)(6), an officer of the Income Tax Office" and inserting "a Public Officer". Clause 8 is intended to provide certain refinements to the adjustment of tax liability following the disposal of assets upon to which depreciation allowances have been claimed. The rules and procedures relating to depreciation allowances are contained in the 6th and 7th schedules of the principal Ordinance. The 6th schedule would be amended by the introduction of paragraphs 6(a), 6(b), 6(c) and 6(d). The 7th schedule would be amended by the introduction after paragraph 5 of paragraphs 5(a), 5(b), 5(c) and 5(d). Certain other small adjustments are made to the Schedules, the most important of which is the insertion of the date 1 July 1993 in paragraphs 5 and 6 of the 6th schedule and paragraphs 4 and 5 of the 7th schedule. At the present time inadequate clawback provisions mean that businesses can obtain or could be considered as over generous tax advantages by disposing of assets after claiming depreciation allowances. Proposed changes to the 6th and 7th schedules would mean that if depreciation allowances have been claimed on an asset and the trade ceases or the assets ceases to be used in the trade, or the trader relinquishes of the possession of the asset in circumstances where he is unlikely to regain it for business purposes, then the Commissioner of Income Tax will have the power to substitute market value if the disposal proceeds are below market value. These refinements will enable the Commissioner to ensure that the generous depreciation allowances presently in force are not used as a means of creating artificial tax advantages.

The Bill was read a first time.

The Honourable C D Keenleyside

Yes Mr President. Clause 6, the net effect of clause 6 in this Bill will be that persons between the age of 60 and 64 years, unless they are recipient of Old Age Pension, will be disadvantaged because they will have to pay more tax. Presently they receive their old age allowance at the age of 60. Now I personally don't agree with any tax increases for persons in that age bracket. I think that anything we can do to help people, particularly when they are older should be something that we aim to do and I don't think increasing their taxes at this particular time in life is particularly helpful. Sir, I don't support that particular section.

The Honourable Mrs N Edwards

Yes Sir, the clause which entitles widows of 60 entitled to claim OAP, I think that's a bit mean. If you're a widow or your husband has paid into the Old Age Pension scheme all his life and you have to wait until you're 64 with no income, is a bit mean. Sometimes widows in their 50's are not fit enough to go out to work for themselves and it makes life a bit hard to have to rely on our welfare payments to support themselves and they don't like it and neither would I and I think the age limit for widows to claim Old Age Pension should be lowered. So I don't agree with that clause in the Bill. Thankyou.

His Excellency The Governor

Right, do we deal with these when we come to them in the individual clauses or.....

Clerk of Councils

Well, you can get the general feeling now in debate.

His Excellency The Governor

Can we have a vote on whether we wish to see Councillor Keenleyside's amendment introduced:

The Honourable the Financial Secretary

If I could just deal with Councillor Edwards point on the widows pension being payable at the age of 60. This section here deals with the deduction for income tax purposes and at the moment a widow is entitled to claim Old Age Pension at the age of 60 and as such she would be able to claim a deduction equivalent of the amount of Falkland Island Old Age Pension against her chargeable income for tax purposes. The matter of a lower age for widows to receive a pension is really not a matter for this Ordinance, its a matter for the review of the Old Age Pensions Ordinance. But to deal with the application from the Honourable Charles Keenleyside to remove the amending clause from this Bill: the idea of amending it is that when the old age relief allowance was introduced, at the equivalent rate of an old age pension, it was intended at that time that it should only be available for persons in receipt of an old age pension and it was introduced in error to be made available for persons who were not in receipt of old age pension and basically what this clause is doing is correcting that anomaly. It would mean that if it was introduced that those persons who have been receiving an allowance from the age of 60 years would of course be paying more tax as a result of it but it was considered by the Tax Review Committee that there was no justification for providing an age allowance for a person over 60 years of age equivalent to the rate of an old age pension when the person wasn't in receipt of an Old Age Pension and it was considered that 64 years of age would be more appropriate other than for a widow who was in receipt of an old age pension from the age of 60. That was the purpose of introducing this amendment.

His Excellency The Governor

Does anyone wish to speak on Councillor Keenleysides' proposal? I'll put it to the vote then. Those in favour. (All in favour) I think the amendment is carried. So how do we deal with that?

The Honourable The Financial Secretary

We do still want the amount to be included for a person who is not in receipt of a Falkland Island Old Age Pension. We still want those persons in that category to be able to claim the allowance so certain parts of that will have to remain won't they.

The Acting Attorney General

Are we not going back to the original section 16 of the principle Ordinance because you're replacing 60 years with 64 by the amendment but then if we delete the amendment completely and rely on the old provision, I think it has the effect of introducing the amendment.

The Honourable The Financial Secretary

Yes, I think that we did that. What it does is it entitles a person who is not in receipt of a Falkland Islands Old Age Pension to claim a deduction at the moment. A person who is in receipt of a United Kingdom State Retirement Pension is unable to claim a deduction at the moment and the idea of this clause was to increase the age to 64 and also entitle such persons to receive the allowance so that part I would presume Honourable Members, would wish to retain that or to include that amendment or to extend the allowance to persons over the age of 60 now who were not actually in receipt of a Falkland Islands Old Age Pension to make that allowance available to all persons over the age of 60 years irrespective of whether they are in

receipt of a Falkland Islands Old Age Pension or not. At the moment the Income Tax law only allows the deduction in respect of persons who are in receipt of an Falkland Islands Old Age Pension.

His Excellency The Governor

Well, if we delete simply the sub section 1 from 6 does that leave it?

The Honourable The Financial Secretary

I think it might.

The Acting Attorney General

I'm not sure that it does, does it. I think we are going to have to delete 6(1). So 6(1) would come out, Sub section 2 becomes Sub section 1. I think the solution is to add some wording in the third line after the phrase a State Retirement Pension, something like "or any other type of Pension". So that sub section 3 would now read "in ascertaining the chargeable income of an individual proves that during the year preceeding the year of assessment he was 60, 61, 62 or 63 years of age and in receipt during the whole or part of that year of a State Retirement Pension, or any other type of Pension there shall be deducted an amount equal to the annual value of that pension or, if lower, to the annual value of the Old Age Pension". I think that effects the amendment then so that as I understand the amendment, it would mean that all persons once they have reached the age of 60 and who were receiving a pension, irrespective of whatever source that might be, they would get an additional allowance equivalent to the annual value of the Old Age Pension. The maximum allowance would be the value of the State Old Age Pension.

The Honourable The Financial Secretary

I think it would be irrespective of whether they were in receipt of a pension or not. I don't think that comes into anymore does it. It's just any person over the age of 60 years must be entitled to an allowance equivalent to the rate of Old Age Pension money. That is what you're proposing.

His Excellency The Governor

Right, so we delete from 6.....

The Honourable The Chief Executive

I had thought that we were simply trying to protect those people who didn't have a pension, I didn't know that we were giving extra value to the people who have got the pensions. My understanding was that this tax allowance would be to those people who are not in receipt of a pension at the age of 60.

The Honourable The Financial Secretary

That's right, that's correct.

The Honourable The Chief Executive

What we were about to do was take away from those people not receiving a pension their entitlement, but not receiving a pension their taxed income would go down as a result of this. Your amendment will mean that their tax allocation will be increased by the value of the

pension they would have got had they qualified; but what we're not doing is also giving them additionality to people who've got a pension, be it from this government, somewhere else, or Landholdings or whatever.

The Acting Attorney General

Sorry, can I be completely clear about this: If you're not receiving a pension, for example you're working, you get to 60 years of age you're going to get an additional allowance.....

The Honourable The Financial Secretary

An extra personal allowance equivalent to the rate of a Falkland Islands Pension which is what happens now. What this proposal was to change it and only enable the allowance to be claimed by those persons in receipt of Old Age Pension. But we don't want that to happen now, we want the existing practice to continue.

The Acting Attorney General

So we're back to the first suggestion which was that the whole of the clause comes out.

The Honourable The Financial Secretary

Yes.

His Excellency The Governor

So that makes legislative sense does it.

The Honourable The Chief Executive

Perhaps Honourable Members would like to vote again Governor, now that they understand what we're talking about.

His Excellency The Governor

Okay, so we're simply deleting clause 6 and renumbering the later clauses. Good, I think this is all the second reading isn't it. So there is no objection, the Bill as amended will be read a second time.

The Bill as amended was then read a second time. In the Committee stage clauses 1 to 7 as amended were adopted as part of the Bill. Council resumed. The Bill was read a third time and passed.

The Old Age Pensions (Amendment) Bill 1993

The Honourable The Financial Secretary

Your Excellency, the purpose of this Bill is to enable seasonal workers and their employers to be conditionally exempted from the payment of Old Age Pension contributions. The new proposed section 6(g) provides for the Financial Secretary to exempt by Order in writing the obligation to pay contributions by temporary workers and their employers. It does not exempt a person from the obligations under the Old Age Pensions Ordinance but only from the obligations to pay contributions while the person is a temporary worker in the Falkland Islands. The Order would include a standard condition that the obligations and the Ordinance

would fall to be met in full if the temporary worker in respect of whom the exemption had been granted did not leave the Falkland Islands within six months from the date of entry. The exemption can be granted to any employed person and his employer or any class of seasonal workers and their employer's who is or are not ordinarily resident in the Falkland Islands and is or are likely to leave the Falkland Islands within 6 months of entry into the Falkland Islands and it is in the economic interest of the Falkland Islands for such an exemption to be granted.

The Bill was read a first and second time. In the Committee stage clauses 1 and 2 and were adopted as part of the Bill. Council resumed. The Bill was read a third time and passed.

Motion for Adjournment

The Honourable The Chief Executive

I would like to move that the House stands adjourned sine die.

His Excellency The Governor

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

The Honourable C D Keenleyside

Your Excellency, Honourable Members. In rising to support the Motion for Adjournment I would like to make a few comments.

At the end of the week of meetings last month was a Landholdings Board Meeting. At that meeting it was clear to me that a policy from FIG is required in relation to that Company. What is it that we want from Landholdings: profit at any cost or a Company with a future for its employees? I believe certain promises were made to employees when FIG took on the commitment of those farms but there seems to be little in writing. I believe a review of government policy relating to Landholdings is required so that people know where they stand.

Councillors have been circulated with a discussion paper relating to the oil development of the Falklands and its consequences to the environment and people. I look forward to an early release by government of that paper so as wide an input as possible into the policies government adopts is made. This is necessary as decisions made by FIG should be as informed as possible.

The policy relating to retirement age of government's employees is being reviewed. I hope for a more realistic approach to the retirement issue and one which does not create hardship or unnecessary anguish to the personnel involved. In the Civil Service situations occur where school leavers are disadvantaged when applying for jobs. This is particularly so for the young wishing to take up clerical posts. The problem is that they lack clerical experience. It would be an advantage for government to introduce a scheme where a school leaver could work alongside experienced personnel for an extended period to build up experience and in some cases replace the person they are working with when the post holder leaves. There are instances where personnel are kept on simply because there is no trained person to replace them.

We have recently negotiated the opening of the Falklands Outer Conversation Zone. I look forward to a good season with a greater fishing area offered being attractive to potential users.

The need for a long term solution to the question of fisheries licensing cannot be over-stressed. I hope that the measures being taken this year leave us with enough escapement at the end of the season and only time will tell.

I've read with great interest the various comments made by the Argentine Foreign Minister. The one which intrigued me was the reference to charm offensive. What is it? Perhaps its a brand of perfume like Eau-de-charm-offensive or charm-offensive No.5. The obvious attempts to con us into agreements make his particular brand of charm offensive to us all. Sir, I beg to move the Motion.

The Honourable J E Cheek

Sir, all seem reluctant to stand up this afternoon. I would like to support the Motion and make one or two points.

During the run up to the election I said that if elected I would hope to have the school leaving age raised from the current 15 to 16 years of age. I mention this again now because I would like some reaction from the public before, hopefully my Colleagues support, having the necessary legislation introduced. I believe such a change is necessary, not just to follow the UK and other Countries elsewhere but, because I believe it would be beneficial to our students of all abilities. The schools are designed to cope with the additional numbers so we shouldn't have any more expense there and it was designed to cover a wide range of subjects that such an extension to 16 years might require. Increasing the school leaving age must not only help the academically gifted but also the technically and impractically gifted. And I know that some believe that this latter group are probably at the moment not being as well catered for as the former. If support is forthcoming I would hope that the necessary legislation is in place for the 1995 academic year. At the other end of the Education age range we need to provide decent classrooms for the infant and juniors. Provision was made for this in the last Budget but I understand was deleted in the Financial panic of last year. This needs to be re-introduced and possibly extended if there is agreement to provide accommodation for a pre-school group. The current accommodation is little more than upgraded large portakabins with a limited life, a life that has long since been passed.

Moving on to civil servants, I'm concerned that there are still large discrepancies between pay scales for professionals and what we actually pay professionals we import on contract from overseas. I think this is an aspect of colonial life that we can do well without and it's passing might do something to ease the friction if there is such friction between ourselves and others. We've seen this introduction of certain professional jobs already, FIGAS is an example. In FIGAS for both pilots and engineers, it was introduced a number of years ago and generally we can, as far as pay is concerned, attract locally trained people. I've heard the arguments in the case of, for example, doctors, that we have no Falkland Island Doctors. Therefore we don't have to introduce a sensible pay scale until we get them. I think that's the wrong way around. If we want our students to train for these positions we've got to let them know what they would be getting now while they're deciding what they want to train as. So I would hope that Members would give that some thought and the Administration and I think arguments that professionals might receive more money than those in the Administration who are administrating them, is an old fashioned idea that we could well do without and forget about.

The other point is more minor Sir: not necessarily less important. Could I put in a plea for a light on the Public Jetty. When boats come in now at night time there is no light there, just within the last week or so we had a sailor, I believe, fell overboard. Whether it was due to the lack of light or not I don't know but if we had a light maybe it wouldn't have happened. And may I ask for some urgency in this matter because I believe the Newcastle will be returning for the 8 December celebrations and it might be worthwhile if the light is there before then.

Something arising from this morning. Can I ask for the introduction of the setting up of a Frequency Registration Board. I believe Cable and Wireless in 1966 offered to do this free of charge, under the control of Government but whether their offer of however many years ago is valid I don't know. But such a Board might stop the problems that have obviously arisen by requiring filters the Chief Executive mentioned this morning, when obviously a TV transmitter was set up without reference to other transmitters that were obviously already in being. If that knowledge was then readily available there would be no need for filters to stop unwanted interference.

One last thing Sir. Recently I've read in the Penguin News that there is concern that there are no young shooters coming up. When the current rifle range was built or at least when money was provided for it, (I know because I suggested it) that money was provided as long as the rifle club was open to anyone. Whether those minutes were misplaced or forgotten about or not, I don't know but I see that the rifle club is still FIDF only. I think this is a short sighted attitude, if the rifle club is open to anyone of any age it might well be that some of those youngsters may go on to join the FIDF rather than the other way around. Sir, I support the Motion.

The Honourable C W Teggart

Your Excellency, Honourable Members, I was actually waiting to be the last to speak again but it appears that I've moved up the list somewhat. I'd like to refer to a few things that have occurred during the meeting today which I think are of great importance to us. The defeat of (if I can put it that way) of the Town Council Motion this morning, it was interesting to hear that once it was publicised that the Motion was coming beforehand that other Honourable Members received phone calls from the dissenters. I can assure you that Councillor Luxton and I have had, I wouldn't say nothing but support, but I've only actually heard from 2 people who were in disagreement with it. The rest were quick to assure us of their full support and were very enthusiastic at the prospect and I would just like to assure those people that the defeat of the motion today will not be the last they'll hear of it. I'm sure that it will return in some disguise or other but its certainly something that we are going to talk about in future and I would certainly see that sometime during the lifetime of this Council that some form of Community Council will be installed in Stanley. The need is going to get greater, it is not going to lessen and I would just like to assure people that it is still one of my priorities. I feel quite happy that it has been introduced today even though being defeated because at least it shows that promises we were elected on are being considered.

Something I've spent a great deal of time working on over the last few weeks is the possible introduction of a Youth Employment Scheme. As has been mentioned today we have 20 children who have virtually left school at the moment, they are still going back to sit exams but when those exams are completed they will all have virtually left school with no where to go and no great aim in life. This is going to be the only time for about four years that this is going to happen. I might add that these children certainly the majority of them are actually over the age of 16 years and they have actually stayed on at school to do GCSE's, not perhaps with great prospects of getting a lot of GCSE's but because they felt that it was important that they should try. I therefore feel that it is very important that we should try to give them something at the end of the day. There is going to be a meeting tomorrow to discuss the paper that I've put forward. Unfortunately I'm not going to be able to be there because it clashes with Standing Finance Committee but I have spoken to a couple of people who I believe have been invited to attend who have declared an interest in this and I am assured that they are going in fighting. I'm hoping that the Administration will listen sympathetically to what they have to say.

The emergency callouts that were mentioned this morning in one of the oral questions: I

would just like to say that looking at it from the other point of view, it is not only frustrating for the people waiting for the ambulance to arrive to see it going flashing by on its way to Hillside Camp, its extremely frustrating for the ambulance drivers too and I have a constituent, I suppose I could call him that, who I have to listen to a great deal on the subject on occasions and I hope that that is something that can be addressed. I know we have rooms upstairs in the hospital where perhaps we could have an on call medic sleeping, if we have an on call ambulance driver it would make sense to me that there's an on call medic upstairs as well who can attend these things. It isn't so bad through the day as there is usually somebody there who can accompany the ambulance, but after 4 or 5 at night then the situation becomes critical.

I jokingly said at a pre-election public meeting that I was hoping to see my end of Callaghan road being upgraded as the Attorney General's had been some years ago and it is really nice to know that that is going ahead and also nice to know that there wasn't really any input from me that made it happen. But on a slightly lighter note having ripped the exhaust off my mini on the top of Villiers Street on Sunday morning I would hope that the funding would extend to doing the top of Villiers Street and the top of Brisbane Road. I have actually considered perhaps suing the government for the upkeep of that road because it isn't suitable for a car, but I was in a hurry so I think perhaps a lot of the blame lies with me.

There are obviously a lot of matters that we are still addressing. I did feel that at one stage perhaps in the Bills today that I ought perhaps to stand up, not particularly to comment on the Bills but just to assure the public that were here and the public who will no doubt be listening this evening that we were all in fact still awake; because I thought that the lack of comment might mean that perhaps we weren't interested in what was happening or that we'd all dosed off in the afternoon sunshine. I'd just like to assure people that that was not the case and we have been taking an avid interest in the proceedings of the afternoon. Sir, I support the Motion for Adjournment.

The Honourable R J Stevens

In standing to support the Motion I would like to complement a few things that have been said by other Members and firstly apologise to my constituents for not asking questions at all really and this really asks a question or shows that a Councillor in my position is a rare animal where I'm not very closely connected to town and to mail. I don't live on an airstrip and so by the time I got the rules of engagement, so to speak, it was too late to put in questions for this Legislative Council.

I think Charles' point on Falkland Landholdings, my honourable Colleague Charles Keenleyside, was very important but I also think that Falkland Landholdings is connected to the needs of the whole of the camp community and the Government should have some overall policy to every farm because after looking at Richard Wagner's comprehensive statistics it's obvious that there are a number of farms in camp that aren't really viable whatever happens, not even if we recapture the monies of the late eighties.

Going on to Education: I have in the past thought that perhaps the Education Department thought of education just along the lines of school. Perhaps I'm wrong, but I'd like to see more vocational and career's guidance especially if we're going to have school leaving age raised from 15 to 16. I think that that's very important for all and to look at some of the statistics of people going away to Peter Symonds and seeing what they are achieving and if this has any connection with grades they go away with and if there's any better options for them which will gain them skills in other areas away from academic skills. A lot of people have spoken to me on pre-school and in fact pre-school issues are being raised in England at the moment and all these experts seem to suggest that children that go to pre-school have great

advantage when they come into the main system. Sir, I would like to support this Motion of Adjournment.

The Honourable W R Luxton

Mr President, I think it's nice to get away from the Buggin's turn way of addressing this Council and there should be a difference in the order that members speak. We are just coming to the end of a Ministerial visit and I appreciate the refreshing directness of the Minister and it's been a real pleasure to see him down here. I find the present attitude of senior British Government members very comforting if you like and both the Minister and the Foreign Secretary and the Prime Minister. At one stage I've said this before, have hammered the principle of self determination. From that guarantee to defend our right to self determination I think everything else flows. I think while the British Government maintain that attitude we have no real worries. I share my colleague on my left's distaste for the charm offensive from Senor Di Tella, I'm not quite sure what we have to say to them to persuade them that their attentions are unwelcome. God knows we've all tried but they don't seem to get the message, but I suppose we'll keep on trying.

My constituents I'm sure will be pleased to hear after this meeting that there is to be continuing support for the agricultural community. The prospects for wool prices are not quite as gloomy, it looks as though we may have turned the corner and I'm sure that all members of the agricultural community would be delighted to be able to survive without assistance and with a bit of luck we may soon be able to.

Just one minor point, but perhaps not to the people concerned or to the person concerned, I was very sorry to hear that Mr Bob Stewart had had to pack up his bus service. I have always travelled to MPA on Bob's bus and I shall be very sorry to not have his cheery face waiting for me there and my usual horrendous amount of luggage in the future. So I hope we can all give a vote of thanks to Bob for maintaining that service in the teeth of some pretty terrible problems with punctures and tyres and breakdowns and so on over the years. I think the Government will have to keep an eye on what is happening because I think it is something we can't manage without. If because of increased insurance premiums and other problems its not viable for private enterprise to run a bus service then I think we'll have to look very seriously at it because we cannot manage without it. So I hope over the next few months we can keep a close eye over that situation. Thankyou Sir, I support the Motion.

The Honourable Mrs N Edwards

Your Excellency, Honourable Members, in rising to support the Motion for Adjournment. Councillor Teggart said that we weren't all asleep during the Bills, thats absolutely true but I obviously left my mind in the shearing shed and brought my body with me because I have to apologise to the Financial Secretary whilst he was asking his eloquent deliverance of his Income Tax Amendment Bill that I got lost half way and thought we were talking about Old Age Pensions so my apologies to you. I haven't too many points to make Sir. One point in particular which I labour on and have done so since 1985 I think when I first mentioned it, camp tracks. Can we please before this summer is out make some headway in mending the ditches, putting in culverts in places for people who actually don't live any where near the roads. Most of the population in the camp as I've said before and I will say again and probably will say again and again, live in isolated parts now. They have to get into the settlements to deliver their wool, for their stores and so on and the existing camp tracks in some places are becoming almost impassable. This year we have had a reasonable wet summer and people are beginning to get worried that they are not going to be able to get their wool in in places. With the change in direction with the road on the East, Mr Anderson is worried for his livelihood. Now for a small amount of money, not millions, but thousands and a few small gangs of men with a JCB and some wood and a few culverts, life could be made a

whole lot easier and a whole lot more viable for the majority of people in camp whilst we are waiting for the roads. It must be a bit galling if you live at Port Stephens, you know the road is so far into the future that they probably, the present incumbents in the Port Stephens area will be lucky to see it in their life time I should think, but they still have to cope with the track. They still have to get their wool in, they've still got to get their supplies so please before this summer is out can we start on what I consider is more essential work than building a road from Port Howard to Fox Bay, Chartres wherever; that's important and I don't disagree with it but at the same time lets remember where the people live and how we can help them best.

I agreed absolutely with the Honourable Charles Keenleyside and what he had to say about Mr Di Tella. I said in my election speech that we will be assailed by Mr Di Tella's overtures no doubt for the foreseeable future and I would just say to people remember what it was like when we dealt with the Argentinians before. Don't be taken in by the charm of Mr Di Tella or any other charm from any other quarter, because the reality is that they just want your land. They want what's here or what may well be here around in our waters and I would say be very careful of Mr Di Tella's overtures.

I've been accused recently in the press of advocating a population of 10,000 in ten years time, can I just clear up that point? It came about from a question that was asked by a South American journalist, I think Mr Tozer when he was here, and he asked what did we think the population would be in ten years time. My answer actually was, "that is a hypothetical question and I can't possibly tell you what the population will be in ten years time, we don't know what the situation will be in ten years time. If there's oil there, if we're looking at a new situation we may well be looking to an increase in population of a considerable amount, possibly 10,000, possibly 15,000 goodness knows maybe less". However whatever the population is should oil come along it will probably be an itinerate population as we had when the airport was built. So please do not think constituents that I am advocating an increase in population of 10,000 in ten years time or whatever. I actually think small is beautiful and the longer we can keep it that way the better as far as I'm concerned but undoubtedly the population will increase and I hope to see it grow according to the development of the Falklands. I cannot see any point in putting a figure or guessing what the population might be. So I hope I've cleared that up.

Sir, I support the Motion. Thankyou.

The Honourable Mrs S Halford

Your Excellency, Honourable Members. In rising to support the Motion for Adjournment I would like to mention a couple of issues that concern me.

As I said in my election speech I do feel that there is a need for a residential home for the elderly and perhaps a few more sheltered housing units also. Obviously before this can be taken any further a questionnaire needs to be issued to gauge the need and I understand this is to be undertaken. As this is obviously a very delicate issue for some of our senior citizens I hope the wording of the questionnaire will be of a courteous nature and not what the recipients may consider offensive in any way. I mention this as some of the elderly who were paid off found the wording of their letters of notification offensive.

As a parent I've thought for a long time that a school uniform should be introduced. This would put all the children from whatever background on an equal footing and would probably also cost the parents less for clothing. It would also give the children equal pride in their appearance. However before a decision is taken on this I believe not only should the parents be sounded out but also the children as they would ultimately have to wear the uniforms. They could be asked about colour and make up of the uniform and together hopefully

something sensible could be worked out. I feel that we should be urging the Education Department to follow this up.

Television reception was mentioned earlier today and I wonder if some people in camp who are not receiving television realise that there are also some houses in Stanley who do not receive to reception either but hopefully once the taller mast on Sapper hill is installed then they will receive this.

As to the public jetty, I'm sure this needs to be repaired. I noticed when I was there the other day that some temporary repairs have been made by applying ply to the top surface. This might look lovely and smooth but once its wet its extremely dangerous and slippery and I wonder just how many people will have an accident because of this. I think we should be urging this to be properly looked at and mended. Sir, I support the Motion.

The Honourable E M Goss

Sir, I hadn't intended to speak to the Motion but I do support it. I calculated that if I laid back on my haunches here my colleagues would say it all. I feel that we have completed our days work here and I do know we have to move on to another location to finish off business we started the day with so I know now my colleagues have all spoken. They have given us enough information and jobs to get on with to keep us busy for the rest of the day and some more days so I support the Motion.

The Honourable the Financial Secretary

Your Excellency. A lot of comments from Honourable Members if they are to be brought into effect would require an adjustment of expenditure priorities or additional funding. It would be my job if they are to be brought into effect to finance them which might mean raising additional revenues and so any proposals in that regard would be welcome. I support the Motion for Adjournment Sir.

The Honourable The Chief Executive

Your Excellency. Honourable Members raised a number of issues and there may be one or two which I can make some observations. I was very much involved with the purchase of the FIC farms and the establishment of Falkland Landholdings, as indeed was my learned friend here who took part in negotiations and the setting up. We went to particular pains to make sure that every employee did infact receive in writing a very clear description of what was being offered, and what he was being offered were conditions that would not be less than those that were enjoyed by the FIC and I don't believe that we have done anything at all that suggests that we've reneged on those written promises. The last government considered after the three period that they had judged had to pass that the matter should be further extended for a further two years. Since that time there have been indications from the Falkland Landholdings board that there should be further consultation, further deliberation and there is nothing wrong with that and I would welcome that. But I wouldn't want anyone to believe that we have in any way reneged on in the promises we made and they were made in writing to everyone concerned. There's just a word of caution I would mention on the principle of considering running Falkland Landholdings not as a commercial Company. The Directors of that Company have a responsibility to act in the best commercial interests of the company. If there is to be a policy devised that means that other factors will take higher importance than commercial responsibility then you will have to give some comfort to those Directors to act in a way that is not normally commercial. I think it might be very difficult to get into those waters but its something we need to clearly explore and find out just where the social welfare aspect ends and where getting the best value for what afterall is Government money, is the high priority.

Mention was made of professional scales. I have long felt that the Hamshaw study that was undertaken here a few years ago really failed to address the true factors that face us in the Falkland Islands civil service. I think it is based far too closely on factors and concepts that worked very well in Yorkshire and Humberside but have little relevance down here. I would suspect we must have amended probably over 50% of his recommendations to make them localised and there has been a glaring error in respect of professional grades. I'm not sure whoever said that the doctors scale is inaccurate because there is no likelihood of us having local doctors here, its inaccurate simply because it's inaccurate and it has been my declared intentions for some time that we should consider having an in house review of such scales; because only by so doing can we eliminate the inducement payments that cause a certain amount of friction. Mention was made of our efforts at a time when some years ago you could simply not get pilots without a very considerable inducement. We took measures to find allowances and different types of payments that brought the scale up to a rate that means that when a pilot is brought down here to reinforce for a period he is not being paid a sum of money that is very different from that that is being by people who are flying aeroplanes here all the time. There are anomalies in the system and I assure all Honourable Members that we have every intention of addressing those. There are some people you have got still, some professionals, that in the short scale you are going to have to attract to come here. Much better to attract them to come here and stay by offering the right sort of salary that will allow them to become part of the community rather than come here on the basis of the inducement. You will find no argument with that in Government.

Thankyou for the proposal on the light on the public jetty and we'll certainly look at that. I think perhaps if the person that fell in had stuck to lights rather than heavies he may not have fallen in himself but there's clearly a need: the public jetty has even in my time here a long history being looked at and gazed at and then you stand back in horror at just how much it's going to cost to do things to it so you're welcome to read the file on just how much it costs to do the optimum deal on the jetty. There is a programme of repair in hand at the moment and it may be that we now have to put some matting down on top of the wood and thankyou for that observation.

Frequency regulations is again something that we are returning to. This was a matter that was raised some years ago and it is the responsibility of the Department of Trade and Industry and we reached a fairly advanced stage of negotiations with a division of that Department to come and advise us on the special legislation that would be required. It turned out to be extraordinarily expensive and in one of the reviews it was decided to shelve that. It may be that its still not affordable to go for the full legislation that is required and there may be some localised version that can take advantage of the offer you made from Cable and Wireless and well make sure that there is some discussion and look and see if we can ameliorate the situation which is clearly far from satisfactory.

On youth employment, the Honourable Member who has put forward some very interesting ideas needn't be concerned that the Administration will not be supportive. In so many issues you are pushing against an open door. All you've got to do is bring something to attention and I would be very surprised if you don't find people who are sympathetic and anxious to help. Youth employment has to be looked at and there's no doubt about it but when you add youth employment to all the other good ideas people are having my colleague here starts getting his calculator out wondering what have you got to give up to introduce these good ideas.

There was some mention made on Bob Stewart and his bus. Now I share the Honourable Members' dismay that Bob has had to give up this excellent service and I hope that he's able to enjoy his retirement and I know he would enjoy it more if he were certain that the service that he started would be continued. The difficulty is the cost of insurance premiums and we have taken action to see if there are ways in which we can retain the insurance levels at their current

rates: there are one or two strategies that we have in the offing, the matter hasn't been discounted completely. There are moves in hand to try and do this. When it comes to insurance I have frequently locked horns with my learned friend who is currently in England on leave who is forever reminding us of the possibility of the bus full of American tourists going over the edge of the cliffs and the number of times we've said that "you're talking nonsense" and lo and behold that is exactly what happened in England last week when ten wealthy American tourists were killed in a coach. When you read it and see it you realise that the threat is very genuine and the sort of cargos that we could be bringing in from MPA and here could be those very American tourists who are travelling on a passenger exchange to a cruise ship and the reason that they are highlighted is because of certain laws in the United States they can any where in the world sue in a most effective way that would be highly highly damaging to the insurer, so its not a thing we can cut corners on and we really have to take it very seriously but we are trying to find a way around the difficulty.

The Honourable Member from Fox Bay has frequently drawn our attention for the need for improvement to camp tracks and once again, as far as I'm concerned, if there is any assistance we can give in this matter it shall be done. But it has to be done now with the approval of Council. You have to get the Transport Committee to make an assessment, we've got to get it costed, we can't just give a direction to DPW, do this; its got to be part of a programme, its got to be part of his funding and we would be very keen to see those things happen if it's at all possible.

Can I finally end by saying that we will have two Councillors and myself going to London at the end of this week, Tristar permitting for the Dependent Territories Seminar and in case people have forgotten, the whole concept of the Dependent Territories Seminar was started here in Stanley and it was so that the Falkland Islands could have an international voice on its self determination, on its difficulties that it has with Argentina other than in the one regular international forum we have which is not always necessarily supported, which is the Committee of 24. It's really excellent to see that from around the world there is now a high degree of support for the Dependent Territories Conference and I know that the Honourable Member who's presenting the paper will be taking the opportunity to highlight once again that the islands only way forward is through self determination. Your Excellency, I support the Motion.

His Excellency The Governor

Thankyou and thankyou all Councillors. I think that this has been a very useful days work and I've followed the remarks and the adjournment debate with great interest. I do hope Councillors will use written questions, I know that oral questions only come up when legco meet but written questions can be asked at any time of the day or night so to speak and we've had some very interesting answers published just in the last week so I do hope that Councillors will use them, they are a very good check on the Administration and they are also a very good way of getting information across to the public.

I'm very grateful for Councillor Luxton's remarks about the Minister which I will pass on to him and I think that the Dependent Territories Conference will be a great opportunity for us to get our views across and I should like to pay tribute to the Chief Executive who was really one of the originators of this idea and who has pushed it very hard and I send my very best wishes to Councillor Edwards and Councillor Halford when they go there with the Chief Executive and I hope they'll take every opportunity to get our point of view across.

So with that I declare that the House stands adjourned accordingly.

APPENDIX

QUESTIONS FOR WRITTEN ANSWER

(Asked between 2 June 1992 and 16 November 1993)

QUESTION NUMBER 8/92 BY COUNCILLORS R E BINNIE AND H T ROWLANDS CBE:

It has been brought to our attention that drivers are experiencing difficulties, with consequential financial burden, owing to the need of expensive repairs to their motor vehicles, and loss of time, through lack of maintenance to the old track between the PSA Quarry and Goose Green.

Will the Chief Executive take immediate steps to ensure that the track is adequately maintained by the Contractor in accordance with the terms of his contract?

REPLY BY THE HONOURABLE THE CHIEF EXECUTIVE:

The contract between FIG and PSA International is quite clear and explicit in its requirement for existing roads, service roads or access roads to be maintained and kept open to the public. The Contractor does make some attempt to meet this obligation although constant reminders are needed.

The recent bad weather has made conditions worse and under normal circumstances there could be some measure of sympathy for the Contractor except that:-

- (a) Had the road been finished on time there would have been no need to use a track or haul road from May 1992 onwards.
- (b) A Contractor would normally have kept service roads as short as possible, certainly no more than 10 km, instead of the present 32 km.

The Director of Public Works will be writing to PSA International in Croydon requesting that a senior director visits the Falkland Islands as soon as possible in order to see, first hand, the unsatisfactory state of the contract, and also to be available to answer questions from Government and others.

The matter has been and will continue to be raised at the regular site meetings with the Contractor and the consulting engineer. The existing track is kept under close observation and every step that can be taken to ensure that the Contractor meets the obligation of the contract is taken and recorded.

QUESTION NUMBER 1/93 BY THE HONOURABLE MRS N EDWARDS:

What has happened to Mermaid which was supported by Government funding via F.I.D.C.?

Also, is Paragon alive and kicking?

REPLY BY THE HONOURABLE THE CHIEF EXECUTIVE:

1. Mermaid Fisheries

The joint venture Mermaid Fisheries Ltd which was set up in 1992 to fish for *Illax* in the 1993 season, has operated according to plan.

During a period of considerable uncertainty in early 1993 Mermaid Fisheries was the only company guaranteeing to buy *Illax* licences for the full '93 season.

During the fishing season the Mermaid vessels fished for a total of 158 days for a total payment of licence fees of £242,348. Total catch was 2,687 T, approximately 40% greater by volume than had been forecast, achieving an additional 12% more total fishing revenue. Due to movements in the exchange rates, the income to Mermaid fisheries was 30% above forecast at £86,000. This figure is 3.4 times greater than the actual revenue foregone by FIG of £25,319 in support of the Mermaid venture, and a return of 129% on the total licence fee monies of £66,630 paid to the Fisheries Department by FIDC. The venture has a further four years to run and to achieve similar returns.

JBG are repaying the monies loaned to them by FIDC (for the capitalisation of their 51% in Mermaid Fisheries) in accordance with the loan agreement; the loan is repayable over five years at an interest rate of 7%.

The joint venture partner of JBG in the Mermaid venture (China Deep Sea Products Ltd) is visiting the Falklands shortly to consider with their partners the future activities of Mermaid Fisheries, and to have talks with relevant Government officials.

2. Paragon

Paragon is alive and kicking and trading with Chile. The company repaid in January 1993 the full amount of its outstanding loan to FIDC whose remaining financial involvement in the company is a 20% shareholding of 2,000 shares at £1 each.

Paragon has set up the regular shipment of live sheep to Chile aboard MV Tamar (approximately 400 per trip). Two shipments have been made to date with full payment received in advance by letter of credit. Some trial shipments of skins have also been made.

The Honourable Member from West Falkland may of course obtain the full story on sheep sales from her constituents on Port Howard Farm.

Paragon will continue to participate in trading activities where it sees commercial advantage, such as fruit and lighting fixtures.

QUESTION NUMBER 2/93 BY THE HONOURABLE E M GOSS MBE

On the subject of psephology can I have a breakdown of the votes cast in the General Election on 14 October 1993, showing the number that cast votes for one candidate, the number who cast two votes, the number who cast three votes and the number who cast four votes; in the constituencies?

REPLY BY THE HONOURABLE THE CHIEF EXECUTIVE:

"The psephological information requested by the Honourable Member for the Camp Constituency has been supplied by the Registrar General and may be summarised as follows:

Camp - total votes cast 991

1 X 26	=	26
2 X 41	=	82
3 X 45	=	135
4 X 187	=	<u>748</u>
		991

Stanley - total votes cast 2614

1 X 51	=	51
2 X 86	=	172
3 X 109	=	327
4 X 516	=	<u>2064</u>
		2614"

QUESTION NUMBER 4/93 BY THE HONOURABLE MRS C W TEGGART

The recent joint statement on South Atlantic Fisheries from the Foreign and Commonwealth Office, makes no mention of the opening of the FOCZ for fishing for Illex squid.

Concern has been expressed by some local fishing companies as to whether the FOCZ will, after the 26th December, be open to fishing vessels which are licensed from both the Falklands and Argentina, or whether it will solely benefit vessels licensed to fish in Falklands waters.

Can the Chief Executive give an assurance that this 50 mile stretch of water will not now revert to International waters, and will a declaration of a 200 mile economic zone around the Falklands now be made?

REPLY BY THE HONOURABLE THE CHIEF EXECUTIVE

I am happy to be able to amplify the joint statement recently issued from the South Atlantic Fisheries Commission. It is confirmed that the Falkland Outer Conservation Zone (FOCZ) will be opened only to vessels fishing under a Falkland Islands licence.

This step enhances the value of the Falkland Islands fishery. By extending the area and lengthening the period of fishing, the value of the Falkland Islands licence will be increased. It will also improve the level of research.

The Honourable Member will be aware that the limits of the FOCZ were established by a Proclamation made on the 20th of December 1990. There is therefore no possibility of the area status being altered except by a further Proclamation which I do not believe is envisaged.

I am grateful to the Honourable Lady for her proposal concerning a declaration of an economic zone. Whilst a 200 mile limit cannot be achieved on the west, I can confirm that Executive Council will consider the status of our offshore zones with a view to rationalising them.

QUESTION NUMBER 5/93 BY THE HONOURABLE J E CHEEK

Would the Financial Secretary please detail the average payment made by Government in the form of grants and subsidies during the last complete financial year to farms shearing 7,000 sheep or less. Would he also indicate how many farms in this category declined to apply for or receive such grants or subsidies.

REPLY BY THE HONOURABLE THE FINANCIAL SECRETARY:

To clarify the position the Financial Secretary has provided the answer to Question No 5/93 in three parts as follows:

Part 1. Farm Subsidies

The average payment made by Government in the form of an income subsidy during

the financial year ended 30 June 1993 to 63 farms shearing 7,000 sheep or less amounted to £5,346. The average subsidy rate was 53p per kilo of clean wool to provide farms with an average net wool receipt of £2.34 per kilo clean. All eligible farms in this category applied for and received an income subsidy.

Part 2. Farm Grants

Grants, in the form of the purchase of materials and equipment from FIG funds, were provided to 32 farms in the same category during the same period. The average value of those grants amounted to £2,345. Grants, in the form of the direct supply of materials under the Agricultural Grant Scheme financed by the European Development Fund, were provided to 27 farms in the same category during the same period. The average value of the EDF grants amounted to £4,530. The average value of both forms of grant amounted to £4,486 provided to a total of 44 farms.

Part 3. Farm Subsidies and Grants

The combined average value of subsidies and grants for the 1992/93 financial year based on 63 farms shearing 7,000 sheep or less amounted to £8,479.

Confirmed this 28th day of May 1994.

J. GOVERNOR.