

MINUTES OF THE MEETING OF THE LEGISLATIVE COUNCIL

HELD IN STANLEY

ON THURSDAY, 8TH JANUARY 1991

MEMBERS

The Chairman: Mr. Gwynne  
Mr. J. J. Williams

SECRETARY

RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL

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The Secretary: Mr. J. J. Williams  
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MEMBERS PRESENT TO MEET

Mr. Gwynne  
Mr. J. J. Williams

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RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL

HELD IN STANLEY

ON TUESDAY, 8TH JANUARY 1991

**PRESIDENT**

His Excellency the Governor  
(Mr W H Fullerton)

**MEMBERS**

Ex-Officio

The Honourable the Chief Executive  
(Mr R Sampson)

The Honourable the Financial Secretary  
(Mr J H Buckland-James)

Elected

The Honourable R E Binnie  
(Elected Member for Camp Constituency)

The Honourable T J Peck MBE CPM  
(Elected Member for Stanley Constituency)

The Honourable H T Rowlands OBE  
(Elected Member for Stanley Constituency)

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

The Honourable K S Kilmartin  
(Elected Member for Camp Constituency)

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

The Honourable G M Robson  
(Elected Member for Stanley Constituency)

The Honourable G P Short  
(Elected Member for Stanley Constituency)

**PERSONS ENTITLED TO ATTEND**

The Attorney General  
(Mr D G Lang QC)

**CLERK:** Mr Anton Livermore CPM

**PRAYERS** Reverend Canon J G M W Murphy LVO MA

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**OPENING REMARKS BY THE PRESIDENT:**

Honourable Members, I should perhaps offer a brief apology to members of the public and others on behalf of all of us that we began the meeting rather late. There are a number of items on the agenda which Councillors, reasonably enough, requested some further time to consider, and we had some discussion about that before the meeting.

**CONFIRMATION OF OFFICIAL RECORD**

The Minutes of the meeting of Legislative Council held on 22 October 1990 were confirmed without amendment.

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

The Fishing Licences, (Nets and Supplementary Nets Equipment) Regulation Order 1990  
The Racecourse Road (One Way Traffic Order) 1990  
The Stanley Services Ltd. (Tax Exemptions) Order 1990  
The Deductions Employees (Amendment) Regulations 1990  
The Fisheries (Transshipment and Export) (Fees) Amendment Order 1990  
The Immigration (Visa Exemption) Amendment Order 1990  
The Elected Councillors Allowances (Amendment) Order 1990  
Fishing Licences (Applications and Fees) Regulations Order 1990  
Fishing Licences (Applications and Fees) (Amendment) Regulations Order 1990  
Dogs Rules (Amendment) Order 1990  
Plant Importation (Amendment) Regulations Order 1990  
Livestock Quarantine (Amendment) Regulations 1990  
Falkland Islands Audited Accounts for the Year Ended 30th June 1990

**QUESTIONS FOR ORAL ANSWER**

**Question Number 1 of 1991 by the Honourable Mrs Norma Edwards:**

Your Excellency, Honourable Members. With the potential increase in air traffic between Chile and the Falklands can Council be assured that no incoming DAP flights will have to route through Argentina as suggested by the Argentinians and how can we be sure that this will not happen?

**The Honourable the Chief Executive:**

Your Excellency, I understand that for the service to be operationally safe and economically viable, flights will have to transit Argentine airspace. We do not yet know, however, what conditions the Argentine Government will set to allow this service to operate through their airspace.

**The Honourable Mrs Norma Edwards:**

May I ask a supplementary question Sir?  
Do we have flight plans sent to FIGAS as well as to MPA and when are we party to the flight plan if we do get it. Is it the day before or hours before or so on?

**The Honourable the Chief Executive:**

Your Excellency, I haven't information particularly on that. The

difficulty in the past has been the initial flight from Chile through Argentina and it is in those flight plans that we have had the difficulty. But Honourable Members, I am sure, are aware that the Government will resist any pressure whatsoever to require the aircraft to land in Argentina, and that certainly wasn't the case with the most recent flight and I think there is every reason to be optimistic that the matter will be resolved. But I can answer your particular questions if you wish by writing on flight plans.

**The Honourable W R Luxton:**

Another supplementary question Sir. Your Excellency, will the Falkland Islands Government make a point of advising Her Majesty's Government that as far as we are concerned any further talks with Argentina would be most unwelcome until this matter is satisfactorily resolved?

**The Honourable The Chief Executive:**

Yes I am sure that has been noted.

**Question Number 2 of 1991 by the Honourable Mrs Norma Edwards:**

Will our local Captains of Motor Vessels Monsunen and Forrest be permitted to continue giving the excellent service they and their crews provide for the Camp community or are they to be subjected to the rules and regulations of the Department of Transport, regarding Masters of coastal vessels which seems to be unnecessary for our local waters?

**The Honourable The Chief Executive:**

Your Excellency, I have to thank my Honourable and Learned friend the Attorney General for assisting me in the preparation of this answer. I join with the Honourable Member in valuing highly the experience of the Deck Officers of Coastal Shipping vessels in local waters. I believe it to be unrivalled and further I agree with the Honourable Member that the service provided by the vessels is excellent and it is vital to the Falkland Islands that it should be. The Department of Transport Regulations the Honourable Member refers to apply to vessels registered in the Falkland Islands and in other colonies, just as they do to vessels registered in the United Kingdom itself. It has become apparent within the last few weeks that the provisions of these regulations cause difficulties for Coastal Shipping. Discussions have been held between Government and Coastal Shipping's representatives during the last 10 days and an approach to the difficulties has been agreed with them which if implemented and successful, and there is every reason to hope that it will be, will certainly result in difficulties being satisfactorily overcome. The Honourable Member can rest assured that everything necessary will be done to maintain the Coastal Shipping services.

**The Honourable Mrs Norma Edwards:**

I know this question has probably been overtaken by events since it's been tabled and subsequently submitted to the Clerk of Councils. Can I emphasise that I really feel that we must object to laws that don't pertain to the Falklands being forced upon us as it will be a far more costly service to run and increase the

subsidy if we have to have certificated Masters etc. Therefore I might point out that Mr Betts has sailed thousands of miles around our coasts without one accident and then suddenly the Department of Transport wants to enforce these regulations upon us when he has gone on happily for 18 years. I know that the laws of the sea have been altered since the Zeebrugge disaster, and that I believe in England they had 4 years in which to get their house in order and re-organise themselves. We were given a very short time by the sounds of it and I would hope that the rumour I have heard that this has all come to pass because of interference from Marr Vessel Management, up the other end of the world, is not true. However, you know, it looks as if it might be. Thank you.

**The President:**

May I just say, we have been in touch with the Department of Trade at some length about all this and they know our position very fully. I must say they have been very co-operative and helpful and understanding in trying to find a way out of it and I am sure it will be resolved.

**Question Number 3 of 1991 by the Honourable W R Luxton:**

Could the Chief Executive please explain why the Legislation designed to control development of oil and other mineral resources has still not been put before this House, given that it was instigated during the last Council's term of office?

**The Honourable The Chief Executive:**

Your Excellency, the matter of minerals legislation is complex and with the recent experience of North Sea incidents related to offshore installations it is an issue that has been under review. The Bill is one that requires advice from British Government Departments who are co-operating fully with the Falkland Islands Government in the drafting of the legislation. I can assure the Honourable Member that the Minerals Bill is in an advanced draft stage and that it will be brought to this Council as soon as is possible.

**The Honourable W R Luxton:**

Can the Chief Executive give us some possible time scale on that please, in terms of definite dates?

**The Honourable The Chief Executive:**

Your Excellency, the Chief Executive would be pleased to do so. The trouble is that every estimate that we have given in the past has proved to be totally unfounded and I wouldn't wish to lay myself open to further difficulties. This time last year we were saying that it would certainly be done by Christmas. Christmas has now passed. I am optimistic that it will happen soon, but it is not entirely a matter within Falkland Islands Government control.

**The Honourable W R Luxton:**

Would the Chief Executive agree that in fact the British Government are being obstructive in this matter rather than helpful.

**The Honourable the Chief Executive:**

Your Excellency, the Chief Executive has already stated in his first answer that we are receiving the fullest co-operation from the departments of the British Government. I don't believe that they are being obstructive at all. I think they have helped in every way. As I have tried to indicate there has been a number of recent events and very recent reports produced in the United Kingdom that has affected their Legislation and it is important that when we get our Legislation produced and prepared, that we get it right first time. There may be other matters to which I am not privy, but the experience that I have in this matter, we could not be receiving more full co-operation from the Departments involved.

**Question Number 4 of 1991 by the Honourable W R Luxton:**

What action has been taken and what future action is planned with regard to the deplorable performance of Cable & Wireless in installing the Camp telephone system?

**The Honourable the Chief Executive:**

Your Excellency, Honourable Members will have received a detailed report on the Camp telephone system from the Government Consultant Mr R Measures. The Microwave Links have been proved and that system has been accepted. There are occasional interference factors to which all such systems are subject and I am aware that all involved are working towards elimination of such interruptions. It has been accepted that the VHF system is not yet satisfactory. Sub contractors in the USA have not provided components that meet the specifications. Power supply units are a further weak link in the system. Cable & Wireless are addressing the matter and share the disappointment that the system is unlikely to be in a position to be accepted before 1991. This represents a continuing loss of income to Cable & Wireless who are not charging rental for the systems that are installed in Camp and that are providing a limited service. The matter is unsatisfactory, but the contact and liaison with Cable & Wireless from Government is frequent. From the information provided by our consultant, it appears that Cable & Wireless are making every effort to rectify the deficiencies in a system that has not formally been accepted by Government. Our final payment is being withheld; the firm has lost income and suffered embarrassment as a result. Honourable Members can be certain that this matter will continue to be closely monitored and that they will have the opportunity to meet with Mr Measures before the VHF system is accepted.

**The Honourable Mrs Norma Edwards:**

May I just add to what the Honourable the Chief Executive has said. When I last enquired, when my phone was last on the blink, which wasn't very long ago, one of the main problems apparently with the VHF system is that they are waiting for equipment which has been in England for some considerable time and hasn't been brought down and I wondered if we could perhaps, as a result of this question, ask the military if they could perhaps find room on their plane for the equipment which is sitting in England.

**The Honourable the Chief Executive:**

Your Excellency, I will certainly look into that. My advice from Cable & Wireless on this was that the components were such that they were being moved by sea and would have been brought by sea from the United States which is all part of the delay, but I will be very pleased to put that point forward.

**The Honourable R E Binnie:**

The Chief Executive stated that Mr Measures said that the Microwave system has been accepted and was working. Well with acceptable interference I believe the word was, I might be wrong, could he tell us just how much interference is acceptable, because I find that the interference lately is very unacceptable.

**The Honourable the Chief Executive:**

Your Excellency, if I can go over my answer. The Microwave Links have been proved and the system has been accepted. There are occasional interference factors to which all systems are subject and all involved are working towards the elimination of such interruptions and I wouldn't like to go further into the reasons for those interruptions in this place but I would be happy to outline those to Honourable Members.

**The Honourable R E Binnie:**

Interference on the Microwave System has increased tenfold since it was first accepted.

**The President:**

Can we take note of that too and prepare further details.

**The Honourable W R Luxton:**

Is the Chief Executive aware that there is in fact an apparent deterioration in the Microwave system now and that some of the north parts of the West Falklands, I believe, were off the air for a very substantial period during the Christmas week and those complaints received very little assistance from Cable & Wireless. That is my understanding from many of the people who phoned me.

**The Honourable the Chief Executive:**

Your Excellency, I was not aware of that nor had I heard of any complaints, but I will be happy to take this matter up with Cable & Wireless. Thank you very much.

**The Honourable K S Kilmartin:**

Can the Chief Executive outline just how much money has been retained by the Falkland Islands Government?

**The Honourable the Chief Executive:**

Your Excellency, I can't give the exact figure. I understand that it was 1/10 of the contract sum, so it is a matter of something over £100,000.

**The Honourable K S Kilmartin:**

Would the Chief Executive think this a sufficient sum to get the system put to rights?

**The Honourable The Chief Executive:**

Your Excellency, indeed not. What is getting the system put to rights is Cable & Wireless's reputation which they guard very jealously and I meant it when I said they were acutely embarrassed. Secondly they are losing income through not getting rental charges for the installation that they have supplied, but the fact that we still have not accepted this system and that we do have some influence, therefore, through our consultant, does mean we continue to consult and bring pressure to bear upon Cable & Wireless in the difficulties that we all face.

**Question Number 5 of 1991 by the Honourable W R Luxton:**

Would the Chief Executive advise what are the present plans for any visit of Argentine next of kin to the cemetery near Darwin?

**The Honourable the Chief Executive:**

Your Excellency, the International Red Cross are to administer the visit of 350 to 450 relatives of Argentines who died in the Falkland Islands in 1982. An aircraft chartered by the International Red Cross will bring the relatives to Mount Pleasant Airport. Helicopters will transport them to the cemetery at Darwin where religious services will be held. I can advise that only limited press coverage has been agreed and there will be a number of restrictions on photography and filming. The date for the visit is to be scheduled sometime in February or March of this year. On return from Darwin the relatives will depart from Mount Pleasant Airport. This will be the conclusion of the visit which is expected to spend 12 hours in the Falkland Islands.

**The Honourable W R Luxton:**

I must say that is extremely bad news. First of all could the Chief Executive explain why a very firm decision of Executive Council, during my stint on Exco, has been over-ruled in that the visit should not take place by air and the relatives should come in by sea. And could he further give us an assurance that no Argentine registered aircraft will land at MPA?

**The Honourable the Chief Executive:**

Your Excellency, the visit as I indicated is under the auspices of the International Red Cross and Executive Council, I recall, did insist that they were made entirely responsible for this visit. You will recall that they came here some time ago on a reconnaissance visit. Having carried out that exercise, they found that the only acceptable way to make certain that the visit could happen in the least possible time was by using an aircraft. I am afraid that I can't give any information on the aircraft that is to be used, but it is one that will be chartered by the International Red Cross and I would expect it to have International Red Cross markings.

**The Honourable Mrs Norma Edwards:**

Could the Chief Executive tell us if these are the sum total, one visit, there won't be another aircraft requested at a later date to come in? Some time ago, as long ago as 1983 the military had drawn up contingency plans for this visit to come by sea and I presume those plans must still be somewhere in their Headquarters and it was very well muted then that it should be handled entirely by the military and that they should come by ship, up Choiseul Sound, landed by landing craft etc. and so on. Not by aircraft which, as Mr Luxton said, we are adamant shouldn't happen. So I am sad to see that this is the way it is going ahead, but can we have some assurance that this is the one and only visit or will they be requiring to visit more often?

**The Honourable the Chief Executive:**

Your Excellency, it is a matter for speculation. It is certainly the only visit I am aware of that has been discussed and there has been no suggestion that this should be a repeated exercise or a frequent exercise. I believe that the difficulty, one of the main difficulties, concerning the use of a vessel is cost and it would appear that the critical factor in whether it is air or sea is cost and it is so much less expensive to bring these folk by air, although even then there will be expensive costs in helicoptering them from Mount Pleasant to Darwin, but when you put the whole thing together it actually makes it a shorter visit. It actually makes it something that is handled entirely by the military through their auspices and I understand that it was felt to be appropriate.

**The Honourable G M Robson:**

Has there been any progress on the idea that the Argentine war dead be repatriated to Argentina as has been muted in the past?

**The Honourable the Chief Executive:**

This is not a matter which has been discussed.

**The Honourable R E Binnie:**

Sir, can the Chief Executive tell us who will bear the costs? Will it be the Argentine Government or the British Government which will then be put down to the cost of the Falklands?

**The Honourable the Chief Executive:**

My understanding is that none of the costs will be borne by the British Government and certainly nothing at all will be provided by the Falkland Islands Government. What contribution is being made by the International Red Cross, again is a matter for speculation.

**The Honourable W R Luxton:**

Is the Chief Executive, happy that the recommendation, or the strong recommendation, or the unanimous recommendation of Executive Council, has been ignored and overruled. Has it been referred back to the existing Executive Council and if not who is responsible for overruling those requests?



**The Honourable the Chief Executive:**

Your Excellency, we are in the unusual situation in this cycle that we are having Legislative Council before an Executive Council and in the normal course of events, this information would have been produced to Executive Council before I would have been in a position of giving an oral answer here. That is a matter which will be reported on fully at Executive Council next week and I am sorry that simply the way the cycle has run and the fact that we have had this Legislative Council earlier than usual, has resulted in Executive Council not being taken into confidence on this matter and consulted.

**The President:**

I think Councillors have been informed for a considerable time that the air option was at least as probable as the sea option and latterly that the air option looked like being chosen.

**Question Number 6 of 1991 by the Honourable G M Robson:**

Your Excellency, can the Chief Executive say whether the Falkland Islands Government will be offering the agricultural sector any chance of FIG sponsored employment in Camp which may ease their current cash flow difficulties?

**The Honourable the Chief Executive:**

Your Excellency, the concern of Government over the commercial state of the farming community is reflected in the agricultural assistance proposals that the Council will address in due course. The provision of some employment in Camp has been under consideration for some time. It will be appreciated that such tasks would, in all probability, be restricted to the winter months when conditions are not always favourable to the movement of plant and equipment. There is no financial cover for such activities but I feel that where projects that were worthwhile to be identified, Honourable Members would give such finance careful consideration. If I might seek some indulgence from the Honourable Member, on the specific of this question, until the detailed studies that are linked to this whole issue are clarified by the Department of Agriculture. I can say there is no objection in principle and that the concept is continuing to be considered by the Public Works Department and the Department of Agriculture.

**Question Number 7 of 1991 by the Honourable G M Robson:**

Your Excellency, could the Financial Secretary say whether the proposed tax free status of interest payments on funds held by individual persons in Standard Chartered Bank will extend to any other similar investments within the Falkland Islands?

**The Honourable the Financial Secretary:**

Your Excellency, in reply to the Honourable Members question the tax free status will extend only to investments held within a bank licensed under the Banking Ordinance 1987. At the present time the Standard Chartered Bank is the only such licensed institution within the Colony.

**The Honourable G M Robson:**

Perhaps I should have been a bit more specific. There are a number of local co-operative establishments who rely to a great extent on local investment for their capital requirements and I wondered if perhaps at some stage they may be considered in this same vein?

**The Honourable the Financial Secretary:**

Your Excellency, later on in the agenda we are going to be debating the amendments to the Income Tax Order. If it is the wish of Members at that particular time, it might give consideration to the extension of the facility.

#### ORDERS OF THE DAY - BILLS

##### THE PLANNING BILL 1990

**The Honourable T J Peck MBE CPM:**

Your Excellency, we have the report of the Select Committee to refer back to this House. It has been requested by Members that this be held over for the time being. What I would like to suggest, and hopefully Members will support, that at the adjournment of the meeting this morning, that this Bill can come back to this House this afternoon at some stage for debate. That is what I would request at this present moment and then enter the formal laying on the Table of the report of the Select Committee, if this is in order.

**The Honourable H T Rowlands CBE:**

I beg to second the motion.

**The President:**

Does anybody disagree with the proposal that after this meeting this morning we will consider when to take this Bill, either this afternoon or at a later date, whatever members feel is appropriate. It certainly is a complicated Bill and a very important one and I am sure we all want to give it the attention it deserves. Do Honourable Members support that? I think no disagreement so we will move on to the next Bill.

##### THE STAMP DUTIES (ABOLITION) BILL 1990

**The Honourable the Chief Executive:**

Your Excellency, I beg to move this Bill, the Stamp Duties Abolition Bill 1990, to abolish stamp duties on deeds executed on or after the 1st of January 1991 and to make provision preventing fraudulent evasion of stamp duty by falsifying dating of deeds executed before that date. I beg to move the first reading of the Bill.

**The Bill was read a first and second time. During the Committee stage the Attorney General spoke as follows:**

**The Attorney General:**

Your Excellency, at this stage, at the Committee stage of the Bill, may I ask Honourable Members to consider two amendments which are necessary due to the fact that the Bill, which I expected to be considered before the first of January by Legislative Council is now being considered afterwards. There are two changes which I think Honourable Members should approve. The first of course is that the Ordinance, if enacted, should be cited as the Stamp Duties (Abolition) Ordinance 1991 which will require the requisite amendment to Clause 1 of the Bill and the words in Clause 1 of the Bill "and shall come into force on 1 January 1991" will need to be amended " and shall be deemed to have come into force on 1 January 1991". This isn't imposing of course any retrospective obligation on anybody. It in fact retrospectively would relieve people of obligations rather than imposing one, and I think therefore Honourable Members will be prepared to accept that it shall come into affect retrospectively.

**The amended clauses 1 and 2 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.**

**FAMILY ALLOWANCES (AMENDMENT) BILL, 1990**

**The Honourable the Financial Secretary:**

Your Excellency, this Bill, the Family Allowances (Amendment) Bill 1990, is to increase the sums payable under the Family Allowances Ordinance 1960, I beg to move the first reading of the Bill.

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

**The Honourable W R Luxton:**

It occurs to me that the same sort of amendment, perhaps, should have been made to this one.

**The Attorney General:**

That was indeed my intention Sir, to mention that at Committee stage.

**The Bill was read a second time. During the Committee stage the Attorney General spoke as follows:**

**The Attorney General:**

Sir, as foreseen by Councillor Luxton, I would suggest to Honourable Members that clause 1 of the Bill should be amended by substituting "1990" for "1991" and the words "and shall come into force on the first day of January 1991" should be amended to read "and shall be deemed to have come into force on the first day of January 1991". What it does is to increase the amount of family allowances and although the Bill enacted would be to the benefit of people not to their detriment.

**Council resumed. The Bill was then read a third time and passed with clauses 1 and 2 as amended standing part of the Bill**

THE ROAD TRAFFIC (AMENDMENT) BILL 1990

**The Honourable the Financial Secretary:**

Your Excellency, this Bill, the Road Traffic (Amendment) Bill 1990, seeks to increase the sums payable under the Road Traffic Ordinance in respect of motor vehicles and trailers. I beg to move the first reading of the Bill.

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

**The Honourable T J Peck MBE CPM:**

Your Excellency, Honourable Members. This probably is a time which I could mention it but I have had certain representations made about the increase in the taxation on the vehicle licences and for good reasons in most cases. People living in Stanley who are using the roads daily are obliged to pay this license fee. Those living in Camp appear to be exempt from this. One case quoted to me was that a person uses a heavy goods vehicle on the roads here, probably 5 times in the course of a year hauling his peat and doing other few jobs, where a person living on a farm can commute and travel daily along the roads without having to pay this fee. I believe that the law says, that any vehicle used on a road should be liable to pay this licence. I would like to see that whatever vehicles are using the roads; they all cause wear and tear to the surface of the roads and there should not be any discrimination. If you use the road, then you pay the licence fee. Thank you Sir.

**The Honourable R E Binnie:**

Sir, I might just come in here because I believe, I have been expecting something from the Attorney General for some months, but the last Attorney General said that your insurance wasn't valid if you didn't have road tax.

**The Attorney General:**

Your Excellency, I know not what my learned predecessor may have said, or the circumstances in which he said it. The present situation is this. There is a dichotomy between the obligation to tax a vehicle and the obligation to insure a vehicle. This Bill only deals with the obligation to tax a vehicle. The present law on the subject is this, " that a vehicle has to be taxed under the Road Traffic Ordinance if it is not kept in Camp." In other words a vehicle which is kept in Camp regardless of how much it is used or not, on public roads, whether the MPA road or roads in Stanley, is not required to be taxed. My understanding is that the Executive Council in discussing this matter, felt that consideration could appropriately be given to the question of whether vehicles kept in Camp should or should not be required to pay registration fees, or the duty under the Ordinance. If and when the Camp Roads Scheme had progressed further and roads had been provided at public expense in Camp, that is I understand is the present policy of the Government. It is a matter of course for Honourable Members whether they wish to alter that situation in advance of that time. It is not a matter I would think which could be suitably dealt with today in the context of this particular Bill. In other words I would not like

see a hasty amendment to this Bill today, but it is certainly a matter which I can ask that the Executive Council do consider for the purpose of the introduction of any necessary Legislation. As to the insurance obligations, there will be a number of aspects of insurance in relation to vehicles in Camp and using public roads in Camp, which will need to be carefully considered against the whole background. Again I would not like to foresee Legislation being hastily introduced, without knowledge of the implications. I am only too well aware of the bizarre aspects of the present law in relation to the insurance of motor vehicles and I think that is a matter which at the appropriate time ought to be considered as to whether any Legislation needs to be introduced or whether there should be any change at all from the present situation, Sir.

**The Bill was then read a second time and in the Committee Stage clauses 1 and 2 were adopted as part of the Bill. The Attorney General then spoke as follows:**

**The Attorney General:**

Sir, I have to draw attention, as in relation to previous Bills to clause 1 of the Bill. I have to draw to attention here that if the Bill were made to come into force on the first of January 1991 and therefore retrospectively, Members of the public would be affected retrospectively. I am not quite sure whether the fees set out in this Bill have been collected by the Police from those few people who may have registered vehicles, but I think that they have been and that they have been done on the basis of the decision of this Council in the budget session, that these changes should be made. The explanation is, of course, that this Bill was expected to be considered before the turn of the year and to have been enacted before first January and through circumstances, only comes before Legislative Council today. If therefore you were not to make the Bill retrospective to first January, those people who have paid with effect from first January the increased fees set out in this Bill, would be entitled to a refund. My understanding on the information that the Financial Secretary has given me is that these fees have been collected, but I have to draw attention to the fact that the Honourable Members would be making retrospective Legislation which would adversely affect the public in this case but only of course to a minor degree.

Depending on Honourable Members decision on this matter, depends the amendments to clause 1, the title of the Bill should of course in any event be amended to the "Road Traffic (Amendment) Bill 1991" and you have therefore, 2 alternatives, "and shall come into force," and you may wish to put a future date or the alternative if you want to make it retrospective" and shall be deemed to have come into force on first January 1991." It is of course quite lawful to make retrospective Legislation but I have thought it right to draw to the attention of Honourable Members the effect in this particular instance.

**Council resumed. The amendment was adopted and the Bill was read a third time and passed coming into force on the first January 1991.**

THE INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL 1990

**The Honourable the Chief Executive:**

Your Excellency, The Interpretation General Clauses (Amendment) Bill 1990 seeks to amend the Interpretation and General Clauses Ordinance of 1977, so as to remedy certain defects which have become apparent during the preparation of a new revised edition of the laws. I beg to move the first reading of the Bill.

**The Honourable R E Binnie:**

Sir, I believe this is one of the Bills that we would like discussed at a later date.

**The Bill was then deferred to be discussed at a later date.**

THE BUILDING CONTROL (TRANSFER OF FUNCTIONS) BILL 1991

**This Bill was also deferred till a later date.**

THE CURRENCY NOTES (VALIDATION) BILL 1991

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

**The Honourable the Financial Secretary:**

Your Excellency, The Currency Notes (Validation) Bill 1991. The object and reason for the Bill is to validate currency notes issued under the Currency Notes Ordinance, which has previously been repealed and also under the Currency Ordinance 1987 at various times on or after the 14 June 1983. I beg to move the first reading of the Bill.

**The Bill was then read a first and second time. During the Committee stage clauses 1 to 4 were adopted as part of the Bill. The Attorney General then spoke as follows:**

**The Attorney General**

Your Excellency, in clause 1 of the Bill the figures 1990 should of course be corrected to 1991.

**The amendment was adopted. Council resumed. The Bill was then read a third time and passed.**

THE SUPPLEMENTARY APPROPRIATION (1989-1990) BILL 1991

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

**The Honourable the Financial Secretary:**

Your Excellency, this Bill is to provide for further supplementary expenditure as approved by the Standing Finance Committee during the period 7 December 1989 to the 13 November 1990. I beg to move the first reading.

**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**

schedule was also adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

#### SUPPLEMENTARY APPROPRIATION (1990-1991) BILL 1991

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

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

Your Excellency, this Bill is to provide for supplementary expenditure as approved by the Standing Finance Committee during the period 13 June 1990 to the 13 and 14 November 1990. I beg to move the first reading of the Bill.

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

#### THE INCOME TAX (AMENDMENT) BILL 1990

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

The Bill was then deferred for discussion at a later date.

#### THE FISHERIES OUTER ZONE BILL 1991

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

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

Your Excellency the Fisheries Outer Zone Bill 1991, is a Bill to prohibit fishing in the Falklands Outer Conservation Zone without special permission. 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 to 3 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

#### THE PLANNING BILL 1990

#### **THE REPORT OF THE SELECT COMMITTEE ON THE PLANNING BILL**

#### **The Honourable T J Peck MBE CPM:**

Your Excellency, Honourable Members, at a meeting of Legislative Council, held on the 22 October 1990, the Planning Bill 1990 was referred to a Select Committee of the House for further consideration. Throughout the deliberations of the Select Committee the Attorney General and the Planning Officer made themselves available to give much needed advice and for their assistance we are grateful. We have the honour to submit our report Sir.

#### **The Honourable W R Luxton:**

Your Excellency, I submit that the Select Committee was not properly constituted or appointed by yourself Sir, in accordance with the minutes and that while they were no doubt useful



informal meetings of Councillors, it was not a properly constituted Select Committee. The membership was not clearly laid down by yourself Sir, and members if the intention was that the members of the Committee should be the whole House, some members including myself were not notified of the meetings in any way at all and were unable to participate. In my own case the one meeting which I knew was going to take place, I was under the impression that it was an informal meeting of Councillors for a preliminary discussion, and therefore, Sir, I submit that the Legislation should be submitted to a properly constituted Select Committee and hold formal meetings because there are matters on which I would wish to make representation to that Committee.

**The President:**

I think the Committee was constituted with an order from me, was it not? And it was very much taking into account who could attend such a Committee, and who couldn't in the sense of its composition. It obviously had more Stanley people on it than it had Camp people partly because of availability, but it did have a Camp Representative. I think also the Bill as such as put before us, had as is described in the rear cover, very considerable exposure and availability to Members of the public and Members of the Committee alike and I would hope that it has had sufficient publicity for us at least to debate it in the Legislative Council, as we now propose to do. I don't know whether other Members feel so strongly that we can't proceed.

**The Honourable Mrs Norma Edwards:**

Sir, I would support what Councillor Luxton has said, my understanding was that a Select Committee would be held in public in this Court and Council Chamber where Members of the public could attend. That hasn't happened. I asked if I might be informed in good time when the Select Committee would sit and I was told yes I would be. I was informed two days before the Committee sat and I was unable to attend because we were in the middle of shearing, and I asked if Miss Jane Cameron could attend on my behalf which she did, for two of the meetings, but I had no idea there were four. So, I agree with Councillor Luxton, Sir.

**The President:**

Yes I think my view is that as I have said it has had very wide availability and there has been the possibility for views to be put in at any point. We have now had the Select Committee and reached the point of discussing this. It started off in the gazette containing the Bill which was sent to me in August, 13th August. Unless other members feel very strongly that we can't continue with the Bill, I propose that it would continue. Can I have other members views on it. We are now here to discuss it and the points that other Camp Councillors wish to make will be heard and debated if necessary.

**The Honourable T J Peck MBE CPM:**

Your Excellency, this is where debates should be held. In Council, in public, and if Camp Councillors, and I don't refer to them as Camp Councillors, there seems to be a reason for a couple of Councillors to refer to Camp and Stanley and to Stanley Councillors there is no such thing as a divided Falklands, it is

one. We represent the people of the Falkland Islands and I hope that they will understand this and stop discriminating.

**The President:**

I think the point you make is valid but under our Constitution we do have four Members from Camp and four from Stanley.

**The Honourable R E Binnie:**

Sir, I sat on several of these meetings. I believe the public have had plenty of time to put their views forward. I believe the two Councillors had time to put forward their points. They are here today where they can make their points clear to us. I believe it has had a good fair airing and I think we should proceed today and not defer it any longer.

**The Honourable H T Rowlands CBE:**

Your Excellency, I think we should proceed with the matter today.

**The President:**

Yes, I so rule that we should continue this. I think it really has had plenty of scope for discussion and now let's discuss it here in this forum.

**The Attorney General suggested the following:**

**Attorney General:**

Sir, the procedure in Committee is of course the clauses of the Bill being considered. The Bill could not have been committed to a certain Committee, without it having passed the second reading stage. That has now passed. I wonder if it might help the Honourable Member if the clauses, instead of taking 1 - 124, if the Bill might be proposed to the Committee in parts. I don't want to anticipate anything the Honourable Member may wish to say but I believe he would wish to make a point in relation to, what I know of his position; if I have him wrong may he please forgive me. He will wish to make points when clause 28 comes up for consideration and that is the question about development orders as I believe he has in particular mind, from what he has said in this House on the previous occasion the application of the provision of the building so far as they require planning permission to be obtained, to Camp. The appropriate juncture, if that was one of his points, would be on clause 28. Now I don't know what is in the Members mind, but I anticipate that that might be.

**The Honourable W R Luxton:**

Yes certainly Sir, and a few general observations and certainly the Bill is a horrendously complicated piece of Legislation. I reiterate that I am extremely dissatisfied with the fact that, in my opinion, no proper meetings of the Select Committee were held. I had hoped that at that Select Committee, I would have been able to discuss it, instead of which, in my opinion, it is being in danger of being rammed through this Legislature without proper debate. There was no debate at the last meeting on it and there

looks as if there is not going to be much at this one. But, the Attorney General is correct, I remember at the last meeting, I would like to quote from one member of this House who said that the "planning departments in local authority were without doubt the most barbaric, difficult, narrow minded, bunch of people I have ever had to encounter in my life and whats more they didn't plan". I would like to specifically exclude from that the present personnel in these Islands and make that quite clear. But once this Legislation is in place, I think we are probably in danger of one day getting that sort of person on the scene. The reason I don't understand this paper, possibly is because I would also like to quote from the Attorney General who was at one stage going to write a "Draconian piece of Legislation on three sides of the piece of paper". I only seem to have found two so far and it really is extremely complicated. I object to the inclusion of Camp under all the sections of this Bill except under a development order. I believe the exemption of Camp, if that is the intention of Members, should be enshrined in the Ordinance itself, not subject to regulations. I would like to see it delayed for further consultation. At this stage I cannot really see how the new amendments can be introduced which would exclude the application of this Legislation to the Camp but without a delay, that is not going to be possible. If it goes through like this, I think we shall live to regret the day. Thank you Sir.

**The Honourable Mrs Norma Edwards:**

Yes Sir, I agree with Mr Luxton. I do believe there is need for planning for Stanley, to some extent. I am not sure we need this massive planning and again I would have liked to have been able to attend some of the Select Committees which I wasn't able to attend. I know Mr Peck thinks that we just don't bother to come in from Camp, but I couldn't at that particular stage. So therefore, I would have liked to see a proper Select Committee, held in public, as was discussed in this House before.

I would like, I am not sure if this is the stage of the Bill to ask for amendments, but I would like an amendment to part 2 the Administration, 4(3)(2) where it says two Members of the Committee shall be appointed by the Elected Members of the Legislative Council from among their number and other Members of the Committee should be appointed by the Governor. I would like to amend that. If other Members will agree to "two Members of the Committee should be elected by Elected Members of Legislative Council from among their number and one other Member from the Committee shall be from the Historic Buildings Committee".

**The Attorney General:**

Sir, may I make a comment at this junction to point out that the difficulty about an amendment in those terms would be that under the terms of the Bill the Historic Buildings Committee would cease to exist. Now that is because that Committee exists at present under the Buildings of Architectural and Historic Interest Ordinance 1987 which by clause 124 of the Bill would cease to exist. As far as buildings of architectural and historic interest are concerned however, the Honourable Member may perhaps be aware of the provisions of part 5 of the Bill, which require a number of persons with special interest in or knowledge of buildings of architectural or historic interest to be Members of the Committee. That is even if they are not

otherwise Members of the Committee and there may indeed be some who have such an interest as ordinary Members of the Committee. But there is special provision under part 5, in relation to buildings of architectural and historic interest, which requires the ordinary Planning Committee to be supplemented by a number of persons who have interest in those subjects when considering any matter relating to a building of architectural or historic interest. But the difficulty as I say, with the sort of amendment proposed by the Honourable Member, is that we couldn't really incorporate an amendment in precisely those terms because the Committee she refers to would cease to exist under the provisions of clause 124 of the Bill. If one was to preserve the Buildings of Historic Interest Ordinance, one would then not have clause 124. You would have to repeal the whole or not pass the whole of part 5 of the Bill and you would have a horrible mess, I venture to suggest, in relation to the Administration of Planning Control in relation to buildings of architectural and historic interest, which is why what is in fact in the existing 1987 Ordinance on that subject is subsumed into the provisions of part 5 of this Bill. There are technical difficulties, in other words, I hope I have adequately explained in encompassing the sort of amendment the Honourable Member has in mind.

**The President:**

Do the explanations and the requirement for such qualified people to be on the Committee elsewhere meet your case?

**The Honourable Mrs Norma Edwards:**

Well, I was under the impression that the Historic Buildings Committee would still exist and would be answerable to the Building and Planning Committee.

**The Attorney General:**

Well Sir, there is nothing of course to prevent, and I sit because we are in Committee, Sir, not because of any discourtesy to this House, Sir, there is nothing to prevent a Buildings of Historic Interest Advisory Committee existing extra statutorily, but to refer in a statute to a Committee which would not exist statutorily would create a number of difficulties.

**The Honourable Mrs Norma Edwards:**

Then I am to assume that the Historic Buildings Committee as it now stands will no longer exist when this Bill is passed.

**The Attorney General:**

The statutory Committee of that name would cease to exist because the Buildings of Architectural and Historic Interest Ordinance 1987 would be repealed by clause 124 of the Bill and the provisions of that Ordinance would be replaced by the provisions of part 5 of the Bill, which are clauses 62 - 72 of the Bill and which contain provisions equivalent to those of the Buildings of Architectural and Historic Interest Ordinance. If the Honourable Member would refer to clause 63 of the present Bill, she will see the provisions I referred to a few moments ago, in relation to the composition of the Planning Committee when exercising functions in relation to buildings of architectural and historic

interest. She will see that 3 persons having a special interest in buildings of architectural and historic interest have to be appointed to the Committee in relation to all functions it may exercise in relation to buildings of architectural or historic interest, and that the Committee cannot exercise the functions in relation to those buildings, unless at least 2 of those special 3 persons are present when the Committee exercises those functions. So in other words there would be at least 2 people present who have a special interest in or knowledge of buildings of architectural and historic interest before the Planning Committee could exercise any functions in relation to such buildings. I add also of course, that you might have other people who are so interested who are among the ordinary members of the Committee and now that is why, bearing in mind and anticipating in a way the point the Honourable Member has made, I sought in drafting the Bill to provide a special provision for such buildings.

**The Honourable Mrs Norma Edwards:**

Well I thank the Attorney General for that answer. I still feel that a Member of what was the Historic Buildings Committee, as we knew it, should be allowed to sit on the Planning Committee. Thank you Sir.

**The Honourable the Chief Executive:**

Your Excellency, I have one or two notes I might refer to. I have been in consultation with my colleagues, the Planning Officer and the Attorney General. I think the Planning Bill has quite rightly attracted a great deal of public and Council interest since it was first published in August 1990, and as the debate has progressed over the past 4 or 5 months, it has become focused on a number of key points of concern. I believe they really amount to four. First of all the amount of planning control to be exercised in Camp; second the exclusion of retrospective powers in the Bill; third the proposals for the preservation of trees and fourth the extent to which the powers in the Bill will be exercised by Public Officers rather than Elected Members.

Dealing with planning control in Camp it has never been the intention that there would be extensive controls over development in Camp. Honourable Members will find in draft, in Annex C to this Select Committees report, the first draft of the General Development Order which was considered by the Select Committee, which would amongst other things, exempt the great majority of developments in Camp to obtain planning permission. All developments connected with agriculture, the building or extension of houses, the construction of roads, tracks, jetties and airstrips and a range of other developments would be exempt from planning. It has always been recognised by the Attorney General, by the Planning Officer and more recently by the Select Committee, that comprehensive planning controls in Camp are unnecessary. However, it has been recognised that some control in Camp is required, if only to guard against the possibility of such things as oil related developments, mineral extraction or some other industrial process being set up without Government having any means of controlling such developments in the interests of the people and of the environment of the Falkland Islands. Imagine for example the possibility of a significant oil discovery being made in offshore waters. Consider the

consequences of such a discovery in terms of development on shore; service bases, harbour development, fuel depots, pipe yards, warehousing, new housing, labour camps, spin off industries, possibly even an oil terminal. As Legislation currently stands, Government can exercise no control at all over land and location of such developments, or ensure that the land is developed in a planned and environmentally accepted manner. This surely is unacceptable. Planning control applied to Camp in a limited way, proposed by the Select Committee, would give the Government the power it needs to control major developments and would give the people in Camp the comfort of knowing they are not being over managed.

Turning to retrospective powers it was apparent from early public discussions of the Planning Bill that the powers of retrospective control in the Bill, as originally published, were not acceptable. This was confirmed in comments from Honourable Members at the meeting of Legislative Council on the 22 October and the Select Committee where this matter was discussed at length. The sections of the Bill dealing with retrospective powers have been completely re-drafted and the retrospective powers virtually removed. The one minor retrospective power which remains, relates to abandoned or dumped caravans or portacabins which are not in use for any purpose and have not been in use for any purpose for the last 2 years. If this was not included in the Bill, every abandoned and dumped portacabin could remain insitu indefinitely. If Honourable Members wish to see this power applied only to Stanley this can be done with an extension order for Camp in the General Development Order.

There was considerable concern expressed at the public meeting in Stanley about the inclusion of tree preservation powers in the original Bill. The Select Committee shared this concern and considered the proposed powers would go beyond what was publicly acceptable. As a result all powers relating to tree preservation orders have been deleted.

Fourthly; at the understandable worry which was expressed by the Honourable Member for West Falkland, that the powers in the Planning Bill would be exercised by Government Officers who might have power to impose their decisions on the public. In fact the powers in the Bill would be exercised by a new Planning and Building Committee and by Executive Council. The Planning and Building Committee would exist of Members of the public and their elected representatives and it is written into the Bill that no Public Officer may be a member of the Committee. The new Committee would introduce far more a democratic system of decision making over planning and building matters that exist within the present Building Committee which comprises of just one Elected Member and two Public Officers. Inevitably a good deal of suspicion surrounds all matters relating to planning and it is right that any proposed Legislation of this nature be subject to close scrutiny.

Whilst it is true, that there has been considerable public consultation, there could have been more. This is always the case, but I doubt whether any previous Bills, on any subject, have been opened up for the degree of public debate as widely as this particular Bill. There must come a time when a decision must be made one way or the other and I believe that this time has now arrived. Thank you Sir.

**The Attorney General:**

Well Sir, it is a matter for Honourable Members of course, but seeking to make things convenient for Honourable Members in case they have points to raise on any clause of the Bill, it might be convenient for them and lead to any matter which ought to be considered, being considered, for the Bill to be proposed in sections to them. That is in sections of the Bill to them and then if they have any point arising out of that group of sections, they could speak to that point at the appropriate place. Then the schedule should be taken and then the Committee stage would be completed and it would be reported back to the House with a view, of course dependent on Honourable Members, to the third reading being moved.

**It was decided to consider the Bill in parts, Part one had already been discussed, Part 2 was then considered.**

Long Pause

**The Honourable Mrs Norma Edwards:**

I have made my points clear earlier Sir, and in particular on the Committee.

**The Honourable W R Luxton:**

I would just like to comment your Excellency having just received the revised Bill at something like 5 o'clock on Friday evening, I really don't feel in a position to make any detailed comment on such a lengthy document piece by piece. It is the broad principle of my objection which I would like to register.

**There were no further comments on part 2 so it was adopted as part of the Bill. Part 3 was then considered.**

Part 3

Development Plans  
Survey and Structure Plans  
Local Plans, Subject Plans  
Supplementary Provisions

Long Pause

**There were no ~~comments~~ on Part 3 so it was adopted as part of the Bill. Part 4 was then considered and Honourable Members spoke as follows:**

Part 4

General Planning and Control  
A meaning of Development and Requirement for Planning Permission,  
Development Orders,  
Applications for Planning Permission,  
Determination of Planning Applications,  
Appeals,  
Duration of Planning Permission,  
Re-vocational Modification of Planning Permission,  
Additional Powers of Control,  
Determination Whether Planning Permission Required,



**The Honourable H T Rowlands CBE:**

Under section 26 (e) of the Bill, that is the storage in the open air on any land prepared, exceeding one month any motor vehicle not reasonably capable of being driven under its own power, any parts of a motor vehicle, or former motor vehicle, any plant machinery or materials whatsoever not reasonably incidental use of the land for a purpose which planning permission has been granted or for which planning permission is not required, each constitute a material change in the use of the land. This point, I did have some reservations in the Select Committee about, but I do receive regular representations from Members of the public, my constituents, who state there should be some control over this and I believe that this section should remain in the Bill but that we should ensure that the Committee is truly representative of all forms of sectors in particular in Stanley.

**The Honourable G P Short:**

If I to could speak on this point 26 (3)(e). I go further than Harold. I think it should be removed from the Bill. As far as I am concerned, what I have in my back yard is my affair and I think it wholly repugnant that some one can come along in a bowler hat and tell you to remove stuff off your own property. So that I go further than my Honourable friend and say that this part of the Bill should be deleted.

**The Honourable T J Peck MBE CPM:**

Sir, I am not sure if Councillor Short realises the aim of this. It certainly is not little men in bowler hats who would be going around knocking on your door and telling you to get rid of that handcart in your back garden. This section in the Bill does enable the Planning and Building Committee to exercise some authority and control, through Executive Council if necessary. These people who will be on this Committee, the Planning and Building Committee, will be members of his own constituency, no doubt and mine as well. I think maybe he has over reacted in this respect about the control in his back garden or wherever. One is not exercising or will not be exercising, what another Councillor referred to as draconian methods. This is the 20th century. This is the Falkland Islands. We as a fairly new elected Council have no intentions of ever permitting that to happen, and certainly I am sure other Members who have sat in on this Select Committee, know this to be a fact that this Bill will not be used in any way, or cannot be used in any way to dictate to owners of property.

**The Honourable R E Binnie:**

I feel towards or see the point that Councillor Short has made and Councillor Rowlands. Living in Camp, I do not look out of my window into a back yard full of rubbish and derelict vehicles and I would hate to have to do so. So I would like the opportunity, if I did live in Stanley, to complain to a Committee that something should be done about it. The person who the rubbish belongs to has the right of appeal, so I think it should stay in Sir.

**The Honourable W R Luxton:**

I sympathise and support Councillor Short entirely Sir.

**The President:**

Are you seconding his proposal that we delete that particular part of the Bill?

**The Honourable W R Luxton:**

I would certainly support that, yes Sir.

There were only two Members in support of deleting part 4 so it was adopted as part of the Bill. Part 5 was then considered.

Part 5

Additional Control and Respect of Buildings of Architectural or Historic Interest,  
Building Designation,  
Consents for Works,  
Miscellaneous. 62 - 72.

Long Pause

Part 5 was adopted as part of the Bill without amendment. Part 6 was then considered.

Landscape and Amenity,  
Landscaping, Wasteland and Advertisements, 73 - 79.

Long Pause

Part 6 was adopted as part of the Bill without amendment. Part 7 was then considered.

Part 7

Enforcement of Control under parts 4, 5 and 6  
Development Requiring Planning Permission,  
Designating Buildings and Buildings subject to a Prohibition to a Notice and Wasteland, 80 - 103.

Long Pause

Part 7 was adopted as part of the Bill without amendment. Part 8 was then considered.

Part 8

The Validity of Planning Instruments and Decisions in proceedings in Relating there to. 104 - 109.

Long Pause

Part 8 was adopted as part of the Bill without amendment. Part 9 was then considered.

Part 9 itself which is supplemental to parts 2 and 7. 110 - 124.

Long Pause

Part 9 was also adopted as part of the Bill without amendment. Schedules 1 - 3 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

THE BUILDING CONTROL (TRANSFER OF FUNCTIONS) BILL 1991

**The Honourable the Chief Executive:**

Your Excellency, the Building Control (Transfer of Functions) Bill 1991, is to transfer all the powers of the Building Committee to the Planning and Building Committee so that there is one Committee dealing with planning and building matters. I beg to move the first reading of the Bill.

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

**The Honourable H T Rowlands CBE:**

Your Excellency, I support this Bill because I believe that it is important that there should be one committee. I think it is completely inconvenient to have more than one committee and I support strongly that the public should not be messed around with a number of committees; that we should have purely one committee for the whole matter of planning or building.

**The Honourable T J Peck:**

I would just like to support Councillor Rowlands Your Excellency.

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

THE INCOME TAX (AMENDMENT) BILL 1991

**The Honourable the Financial Secretary:**

The Income Tax (Amendment) Bill 1991, Your Excellency, is to amend the Income Tax Ordinance by various measures. 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 there are many changes proposed in this Bill and it has not yet been published and I feel strongly that the Bill should be published first, in order that our constituents can come to us. Some people although the majority do come out of it well. There are one or two things which will affect people, probably a little adversely, so therefore I think the Bill should be published at an early stage and it should be brought back to the next meeting of the Legislature in February.

**The Honourable G P Short:**

I just rise to say that I strongly support the views put forward

by my Honourable colleague.

**The Bill was deferred until the February Legislative Council.**

**THE INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL 1990**

**The Honourable the Chief Executive:**

The Interpretation and General Clauses (Amendment) Bill 1990, seeks to amend the Interpretation and General Clauses Ordinance of 1977, so as to remedy certain defects which have become apparent during the preparation of a new revised edition of the laws. I beg to move the first reading of the bill.

**The Bill was read a first time, on the motion that the Bill be read a second time the Attorney General spoke as follows:**

**The Attorney General:**

I believe, Sir, if I may interject at this stage, that it is my understanding, but no doubt the Honourable Members will correct me if I am wrong, that they would prefer that the second reading debate on this Bill be deferred until such time as they have been able to consider the Bill in more detail. I understand that certain Honourable Members have not received the explanatory memorandum which was prepared in relation to this Bill. I would sympathise with them if that is the case, while I do not think there are any hidden snags or anything that which they would eventually they would find any difficulty in the Bill, I can well comprehend that they would have difficulty in understanding what the Bill does and what it is aimed at without the explanatory memorandum. So Sir, I think that it would be the wish of Honourable Members that this Bill should be deferred to the February sitting of the Legislative Council.

**The second reading of the Bill was deferred until the February Legislative Council.**

**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 R E Binnie:**

**Fisheries Outer Conservation Zone**

Your Excellency, in rising to support the motion, I would like to refer back to a Bill which we passed earlier in Council, the Fisheries Outer Zone Bill 1991. Council have had little opportunity to express their opinion since a joint statement from the Foreign and Commonwealth Office after their talks with the Argentines on fisheries in the South West Atlantic. We all know the outcome of the talks. We now have an outer conservation zone, which has a temporary total ban on commercial fishing,

within that zone, which will be managed and policed by the Falkland Islands Government. I wonder why the ban on commercial fishing is only within the outer zone?

I wonder why the banned area suddenly stops when it reaches the Argentine 200 miles economic zone? I wonder why there is not a similar ban within their waters? The Foreign and Commonwealth Office press release states and I quote, "Britain and Argentina have agreed arrangements for co-operation on fisheries conservation in the South Atlantic". I wonder why all the conservation is taking place within the FICZ and now the FOCZ? Agreement between Britain and Argentina on conservation measures within the South West Atlantic, I can accept. But I cannot and will not accept Argentina's involvement within the outer zone. Waters which belong to the Falkland Islands. I return to the Foreign and Commonwealth Office press release and I quote again "Following intensive discussions with Argentina and consultations with the Falkland Islands Councillors". Councillors were not, I repeat, were not consulted about the November talks. I wonder why? Would it perhaps be because the Minister knew that certain parts of the agreements would not be accepted by Councillors. So much for the wishes of the Islanders.

We now have a 200 mile fishing zone which we must manage to the benefit of the Falkland Islands. It has taken almost a decade of persistent requests. The FOCZ, as it is to be called, may not be the complete answer to the conservation of the fish stocks but it will go a long way to increasing the escapement of the Illex Squid towards the recommended figure of 40%. I would anticipate better catch rates in future years and perhaps an increase of the number of licences issued. With the introduction of the FOCZ, the Voluntary Restraint Agreements reached last year with the fishing nations have become null and void, because the second largest catchment area has now become closed. Not only to those nations who agreed Voluntary Restraint but also to those who failed to agree to Voluntary Restraint Agreement. With the increase cost of bunkers and the possibility of only being able to fish north of 49° must reduce the profitability of fishing vessels. This must surely benefit the conservation of fish stocks provided that Argentina abide by the agreement with Britain. What agreement? I don't know, but we are told that Britain and Argentina have reached an agreement on conservation in the South Atlantic. We have yet to see and read the small print. Thank you Sir.

**The Honourable T J Peck MBE CPM:**

Your Excellency, Honourable Members. Within our community we have a number of people who are just about to leave the Islands after serving here for a number of years. First of all I would like to offer my good wishes to the Director of Public Works, Charles Carter and his wife who will be leaving the Islands this month. I believe and I think other Honourable Members would agree with me that he has performed an excellent job whilst he has been in the Falklands, to our benefit. The other Officer who is leaving us is Inspector Bullock who also has performed his tasks in the Police Force exceptionally well, particularly in relation to the hospital investigations which will be heard later this year in London at a trial, but I don't want to cloud that but I do believe Inspector Bullock has our good wishes to leave these Islands.

## Housing

Housing is the most volatile issue in Stanley as far as I am concerned. We are still having serious difficulties in providing sufficient accommodation to please all those applying for houses. I have got to make it absolutely clear to the general public. This Government has to have a policy which it has to follow and that policy has been already been amended twice, within this last year, to suit the needs of the Islands and try to be more flexible. I don't believe we can go further, than this Government has done in this last few months, in amending that policy to enable more residents to acquire accommodation, but we have to accommodate Overseas Contract Officers; like medical staff, education staff and other people who we have not got within our own community. We have to recruit quite a large number of Officers from overseas and will continue to do this for the foreseeable future. That is why I am asking the public to bear with us. That we have only a limited number of houses and we cannot accommodate everybody.

There is a fantastic amount of development work going on within the private sector which is often over looked, in constructing houses and I don't think that anywhere else in the world could this be on such a scale, in comparison to a small community like ours, and this has been going on steadily for the last two years and from what I learn it will continue to do so for the next four or five years, perhaps longer. The Housing Committee does have a difficult task and I do have an admiration for the difficult tasks that they are asked to perform, on everybody's behalf and we are doing our level best to meet the applications when they arise. We do get a lot of criticism, we accept it. We do make the odd mistake, we accept that. But in the main we do our absolute best for everybody in this community.

## Immigration

Immigration has been mentioned in recent months. There has been a working group set up to carry out a study of the Immigration and this has had its meeting and hopefully maybe this month it will meet again and formulate a policy for the Immigration Authorities to follow. At the moment this Council has not yet set a policy, but they must do that without delay. For a number of months we have had people coming into the Islands and approaching the Housing Committee for accommodation, looking for jobs and so on. Some have been without sufficient funds etc. that is something which must not be allowed to continue. The control must be exercised at the London end and also the close liaison between London and the Authorities within Stanley.

## Falkland Islands Defence Force

Not often mentioned is the Falkland Islands Defence Force, but I wish to mention it now. Over the years the Defence Force has been called on to take part in many major exercises along side our British Forces serving in these Islands, as a matter of training in defence of these Islands. They have continued to do this, but with very little resources. They have a nucleus of an excellent high quality, what can I say more than a good soldier. They have got the admiration of many professional servicemen who have been in these Islands, who are in these Islands and who have also left these Islands. We do very little to support our local

Defence Force. Their Headquarters are in the middle of Stanley. It is in a sad state of repair, completely unsuitable for the tasks which it must accommodate, the building itself is completely unsuitable as a Headquarters for our Falkland Islands Defence Force. We must find money; we must build a new Headquarters and training area for the Defence Force. I think it is wrong that we should sit back and allow British Forces to do it all. We have quite a number of young able bodied men in our community who would be willing to serve in the Defence Force if they had better facilities, and more resources and I think that this Government and Council must make a great effort to support the Falkland Islands Defence Force.

#### Stanley Senior School

Finally Sir, work is still going on around us. The Senior School, work has progressed there. What one doesn't notice is the amount of work which goes into building a major building of this sort. Probably at least a third of it is out of site below ground, and to me I take my hat off to Gordon Forbes' Construction Gang for the work performed on the construction of the Senior School and also to other builders who are doing everything they can to provide more accommodation for the Islands community. Thank you Sir.

**The Honourable H T Rowlands CBE:**

#### MV Ocean Princess

Your Excellency, I was recently surprised to learn from a number of my constituents that a tourist ship arrived here direct from Buenos Aires. Now I am not sure, as yet, I have had no confirmation what the policy is at present on this matter and I would ask that this matter be referred to the next Executive Council for consideration, or reconsideration.

#### Post of Financial Secretary

I was pleased to hear the appointment of Derek Howatt to the Post of Financial Secretary and I wish him every success in that job. But I am disappointed that he was unable to take up his training because of a non renewal of contract of my successor Mr Buckland-James. I would like to thank Mr Buckland-James for all he has done for the Falkland Islands. I think he has done a stirring job. I wish him and Mrs Buckland-James who has also been a tower of strength to the community, in particular to the senior citizens. I wish them the very best for the future.

**The Honourable Mrs Norma Edwards:**

#### The Farming Community

Your Excellency, Honourable Members, in rising to support the motion for adjournment can I say on behalf of the constituents in the farming community who are going through a worrying time at the present, we are very grateful for the understanding support which has been offered by Government during the depression in the wool trade, which we are all suffering. It is very much appreciated and I personally, am very grateful that this house took note and acted on the comments I made at the last Legislative Council meeting in October. Hopefully 1991 will



prove to see an end to the depression and an upturn in the market, although I suspect that is rather an optimistic view.

#### Calling the Falklands

The BBC's good wishes for 1991 to the Islands on Calling the Falklands fell rather flat I thought. Happy New Year they said and then proceeded to shoot the sentiment down in flames by interviewing a number of politicians with very definite pro Argentinian views, on the so called Falklands problem. We all know Tam Dayell and George Foulkes opinions and really to get any kind of support from Ken Livingstone, I would suggest you'd have to be a homosexual, of the ethnic minority, IRA supporter who fancied Newts and you might then catch his attention, so I think we can safely write him off. But he didn't even have his financial facts right by the widest stretch of the imagination. We do not cost Britain a billion pounds a year. As you said Sir, it was a very biased bit of reporting. However we have got a lot of friends in Parliament on both sides of the house who support us continually, so I would take this opportunity to say to the people of the Falkland Islands, don't be despondent; this was virtually a hand picked bunch of politicians and it saddened me that it was Calling the Falklands who chose to do this kind of reporting. We have always had close contacts through them with Britain before and hopefully will continue to do so but it was very bad on their part, I thought.

#### Fisheries Outer Conservation Zone

However we mustn't ever be complacent. I feel, we must continually defend our right to live in our homeland and will have to do so. I'm afraid for the foreseeable future, which brings me to the FOCZ. I listened with interest to what Mr Binnie had to say and I have to reiterate everything that he said really. Whilst the talks between Britain and Argentina were taking place, I did phone through and ask what was happening and I was told unfortunately nobody knew because they weren't allowed to divulge what was going on and anyway, I don't think anyone in Council knew at that time and I was indeed surprised when I finally received the press report on the 3 December from the Foreign Office, which stated there had been discussions with Councillors. I most certainly wasn't consulted and I understand from other Councillors who were in Stanley, that they weren't consulted either. It was a Foreign Office decision and if I may, I would just like to quote what I said in this house last Legco when I rose to support the Honourable Mr Peck's motion. I said "I have very little really to add to Mr Peck's and Mr Luxton's comments other than to reiterate that we are absolutely adamant that there should be no Argentinian involvement within 200 miles of our Islands." I think it is essential that we are not going to endorse any negotiations under the flag of conservation. Well, whilst we are very thankful for the extra miles of sea to try and conserve the squid, I feel this is just a chink in the door. The Argentinians do have access to that water now, however tentative it is and I feel sometimes that if the Argentinians don't get us, the Foreign Office will. I am sorry to have to say that.

I know the Illex are an endangered species and we have to do all we can, our utmost to try and preserve them. But there are another endangered species in the Falklands and they are called

Falkland Islanders. People tend to forget that we really have to fight for everything for our very right to live in these lands and I hope that we get support, more support from the Foreign Office, for our points of view, than we have in the recent past. Both Mr Binnie and I saw the Minister when we were in England and we reiterated that we did want, we would like 200 miles and I feel that this is the time when Britain should be consolidating our Islands and helping us to make sure we have a sound economy. I am afraid that even letting the Argentinians come in to patrol their own ships, could lead in future to all kinds of repercussions.

May I just say that and I am sure everybody in the Islands will join me, how sad we all were to see Mrs Thatcher go and I heard Mr Major's very kind comments last night and I hope that we have as good a relationship with him as we had with Mrs Thatcher.

Can I also add my good wishes to Mr Carter and his wife, and to Mark Bullock and his wife, and thank them all for what they have done in the Islands. I support the motion Sir.

**The Honourable W R Luxton:**

#### Argentine Next of Kin Visit

Your Excellency, Honourable Members. I suppose it is slightly ironic that we at present feeling that Argentine influence in our affairs is on the rise again and they seem to have a foot in the door as far as the conservation zone is concerned and to me the bad news, that the wishes of Executive Council have been apparently ignored and that the forthcoming visit will take place by air when the relatives come in, something we specifically asked should not happen.

#### Gulf War

It is a little ironic that at this stage possibly within a week or so, British troops may be once again going to war to preserve the rights of another small country. I do hope that whole episode goes the right way because all of us in the Islands must feel for the Kuwaities, having been through the same sort of experience ourselves although it didn't last as long and by all accounts, it may not have been as bad.

#### Negotiations with the Argentines

But unfortunately the wimps and the wets are getting back in the act as far as negotiations with the Argentines are concerned and as Honourable Mrs Edwards said when she remarked that the Foreign Office will get us, I will just say that I think it was confucius when I said that just because you are paranoiac, it doesn't mean to say they are not out to get you. I think we will have to be very, very careful over the next few years and watch these negotiations like a Hawk.

#### Mineral Legislation

Slightly tied in with that, we are getting lots and lots of Legislation that I don't think we really need. There is a lot more in the pipeline which I don't think we need. The one that we do want of course is the Minerals Legislation, and I am deeply

suspicious of what is going on in that field and I shall be surprised if it does appear. I hope I am wrong.

#### Farming Community

At home, I would echo what Councillor Edwards said and say that we in the wool industry, do appreciate the help that is forthcoming in the short term. I do hope the Government, through its Agriculture Department and Development Corporation, is taking a long hard look at the future of the farming industry because I don't feel we want to get onto an endless band wagon of subsidies and so on. We need to look at the whole situation very very carefully and take a lot of good advice. Thanks to the interim measures, there is time to take considerable action I think.

#### Camp Roads Programme

Perhaps the only other good bit of news as far as Campers are concerned, I hope, is that I think the next Executive Council should have before it recommendations as to which of the roads tenders for the Camp Roads Construction might be acceptable and with any luck that project will be getting under way in the very near future.

#### Telephone System

I don't want to harp on about the subject of telephones. We heard a lot about that this morning but I think, I hope the Administration will deliver the message, that this has gone on long enough and it is time Cable & Wireless got their act into gear and solved this problem. A very large company with a international reputation which everybody refers to, I would think they would need to guard it jealously. The fact that they seem unable to put in a telephone system to such a small community as this can't be doing that reputation very much good world wide. Thank you Sir, I support the motion.

#### **The Honourable K S Kilmartin:**

#### Education

If I could just mention education to begin with. We all know that the Senior School building is going ahead well and the Gordon Forbes Contractors are doing an excellent job. Recruitment of teachers for our schools is also good and all the latest people recruited to teach in our schools have been recruited on local salaries. We have 4 new teachers for the Camp all of whom by coincidence happen to come from the Southern Hemisphere. We also have two students through the Agriculture Department in Australia and we wish them well. The link with Peter Symonds' is going to be strengthened by the visit of the Headmaster of Peter Symonds' to the Falklands in early February and no doubt he will reinforce the view that we have that our in students in Peter Symonds' are doing extremely well.

#### Telephone System

I am afraid I have to mention the telephone system as I am one of the poor unfortunates on the VHF system. We spent 2.6 million of public funds on a system that doesn't work and it appears to us using the VHF system that not much is being done to rectify it.

### Falklands Economy

Once again Your Excellency, our economy is still a cause for great concern. This year we have seen wool prices slide catastrophically and fortunately we had sufficient funds to assist the farming sector for this first year. Hopefully we will be able to have a plan in place by the time the next wool season comes round.

### Fisheries Outer Conservation Zone

We now have a FOCZ, which should help to conserve stocks and help to increase, or at least, not diminish our income from fisheries, however as we have heard, the FOCZ has problems. Some of the political side has been fudged and the next year will show us what precisely it is we may have given away. Thank you Your Excellency.

### **The Honourable G M Robson:**

Your Excellency, Honourable Members. 1990 was a year of change all over the world. Perhaps not so much in the Falklands as elsewhere, nevertheless there have been a few changes here.

### Conservation Committee

Mention has already been made on the FOCZ, I will not dwell on that. However on a related subject, I would like to mention the Conservation Committee and the fact that a fair amount of progress is being made towards formulating a general conservation policy for the Falkland Islands as a whole out with fishing. Although there is still some way to go, I hope the report and recommendations of the Committee will be forthcoming before too long and I would like to take this opportunity to thank the Members of that Committee and numerous other people for the time and knowledge they have made available.

### Calling the Falklands

The Calling the Falklands programme of January the first, I think showed graphically that there are pockets of anti-Falkland Islands sentiment in Great Britain. Those who still insist that the Falklands should be under some sort of dual sovereignty with Argentina obviously have no conception of our view on that issue. Therefore, I must reiterate the importance of promoting our views and aspirations as often and in as many fora as possible. I realise that some people are so far entrenched in their idea of what is best for us, they will never change their view one iota and they call us intransigent. It is however heartening to realise that the Falkland Islands also have many supporters in Great Britain but I still feel we can and should attempt to gain more at every opportunity. We keep hearing the premise that Argentina is now a truly democratic country, but one only has to look to the very recent past just to realise just how fragile that democracy really is. I for one do not subscribe to the view that it is as strong as some would like us to believe. Equally I don't think anyone is totally against the idea of Britain and Argentina strengthening their links, so long as we are not involved. I am sure we will hear all sorts of arguments to try and make us feel we should follow Britain's lead in this matter, but, I believe there is a fundamental difference between our

position and that of Great Britain. Argentina doesn't claim Great Britain, but they still lay claim to our country and until that claim is dropped completely, we should keep trying to repair any leaks that will surely appear in this famous umbrella. Sir I support the motion.

#### **The Honourable G P Short:**

Your Excellency, Honourable Members. In rising to support the motion for adjournment, I would just like to make a couple of very brief comments.

#### Trade Delegation to South America

Perhaps I could start with something that hasn't been touched on today, mercifully, is the trade delegation that I had the honour to travel with to South America. It is my impression from what I have seen and in fact took part in at times, that there is some trade that we can do with South America, with Chile and Uruguay, without having to bother about Argentina. I believe it will happen. It will be a very slow process and I don't honestly think it will be of all that greater volume. But politically such a move is good for us. It is showing that we do not need Argentina; that we can successfully trade with other people.

However, I did rather become caught up with one of our neighbours little tricks when I found myself suddenly stranded in the Chilean capital, I believe it was, and it certainly brought home to all of us on that delegation that the Argentines are not to be trusted and I certainly have a very jaundice view of any agreements made in Madrid and also indeed on the fisheries side. I don't think the Argentines will honour any of those agreements when it suits them not to. So I believe we have to be watching them like a Hawk.

#### Farming Community

On the aid to farmers, this has been a fairly controversial sort of issue in Stanley here. I have done a lot of asking around my constituents and I have not met one person who has said farmers should not get aid. However, what they have nearly all said to me, is they have a disagreement with the way that we went about it. They feel it should perhaps have been on a form of means test or on a loan. I think perhaps what they find galling is the hand-outs to some of the larger farms. However, it is done now and I sincerely hope we won't have to repeat the exercise next year.

#### Estancia - Port Louis Track

Another small group of men that I have mentioned before and I would like to mention are the guys who are building the Estancia - Port Louis track. Having been out there for a look, I am most impressed at the new method of building and I am quite pleased to see they are moving at quite an incredible speed.

#### Legislation in the Falklands

I would like to echo the sentiments of my Honourable friend, Mr Luxton, about Legislation. I believe what has slipped through today, is in fact over the top. I don't think we need anything

as complicated as that for the Falklands and I am worried that there is more and bigger bits of Legislation on the way which may not be too palatable.

#### Post of Financial Secretary

Finally before I sit down, Your Excellency, I would like to welcome Derek Howatt to his new post as Financial Secretary. Having negotiated with him, I know he will make a very good Financial Secretary, and I would like to thank Mr Buckland-James for all the work that he has done on behalf of the Falklands. His heart was certainly in the right place. Sir, I wish to support the motion.

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

In rising to support the motion I am sure the Chief Executive will be picking up most of the points raised by Members, but there are two that I would like to comment on.

#### Falkland Islands Defence Force

The first in respect of the FIDF and the provision of additional resources and capital development in terms of accommodation. We will shortly be producing our capital programme within the space of the next two months or so and it is then hopefully that Councillors will be deciding what priorities they will be allocating to FIDF against the other demands on your resources.

#### Post of Financial Secretary

The second point raised is in respect of Derek's appointment. I am indeed delighted about this appointment and I am sure you have chosen well and you have a good man for the future. Given the proper support and the proper opportunity, he will do an excellency job for you, I feel sure. In respect of his training I have made suggestions, so that at least a bulk of the proposed training programme will be able to be retained and Derek will be able to go for the most important element of it anyway during the course of the next nine months or so. In respect of the other elements, I am sure the Chief Executive will be providing the answers on that. I support the motion.

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

#### Calling the Falklands

Your Excellency. I think the whole Island share the despair of the New Year message we had from Calling the Falklands it was of course very nicely balanced by the very positive message we had from the Prime Minister, John Major who I think gave a confident and positive message that we all wanted to hear and were pleased to hear.

#### Fisheries Outer Conservation Zone

1991 promises to be a year of challenge and opportunity. Mention has been made already of the FOCZ. New boundaries have been established and from the basis of scientific research, the FOCZ means that the danger of the elimination of Illex species by over fishing has been lifted. Now the significance of that statement

is really very important indeed. What it should mean is that we are now in a much more secure long term position as far as income projection for the Falkland Islands is concerned. It should encourage long term investment by both local and international companies in the fisheries. It will certainly reduce the total quantities of squid landed elsewhere in the world and that should have an impact on raising the price, which will be to everyone's advantage. There is a continuing need for research to strengthen the research and monitoring capability of the fisheries and to see the Falkland Islands Fisheries Department being recognised internationally as a centre of excellence in the South West Atlantic conservation business.

### Farming Community

From the more secure position that I believe we are moving into, we can with some more confidence examine the long term implications of sheep farming in the Falkland Islands. Steps have been taken after considerable consultation, heart and conscious searching to find a formula to meet the current crisis. It was Harold Wilson who bounced off an aircraft on return from a trip and said "crisis, what crisis?" Although some people who are expressing that view there. There is no doubt in the minds of most who understand the wool situation and I don't claim to be one of those, that I share their belief that farming in the Falklands this year and next year, are subject to factors that are out of our control, and that won't allow any but the efficient, cost effective and prudent to prevail. Hard work and commitment, sadly, will not be enough. Government has made provision for a breathing space; a stock take if you like in every sense. During this year tough decisions will have to be made and the map of farm ownership in the Falkland Islands will be reviewed. The Department of Agriculture will continue to fully consult with farms whose co-operation is essential in the current process of Government assistance and mortgages and aid.

### Tourism

I would like to make mention of tourism, which has brought new jobs, new investment and the promise of new potential to the Islands. However this years season has not produced the overseas based tourist levels that had been expected. Whilst local and military tourism have greatly increased, the world reduction in tourism spend, again through factors out with Falklands control have had an impact here as in other world markets. The importance of an established, reliable and keenly priced air link with Chile is regarded as a key element in the future of tourism in the Islands and the Government will continue to work for such a no strings attached link. The need for the tourist season to be extended remains desirable to both lodge owners and visitors, and finding a way to do that will present the owners with some challenge. Government through the Development Corporation and Falkland Islands Tourism will continue to work with the industry to improve its standing.

Mention was made of the cruise ship and its starting from Argentina. This had in fact been brought to attention of an Executive Council some time ago and it was agreed with certain constraints and those were fully implemented. There was knowledge of the passenger list in advance; we had Customs, Immigration and other Officers on board who ensured that not all



the passengers landed and considerable care was taken with the manifest.

I would like to join in associating myself with the good wishes of Honourable Members to those who are leaving the Islands on the completion of their contracts. Charles Carter, in particular, has played an outstanding role in the years that he has been here. He has perhaps one of the most tasking jobs in the Islands; he has a number of factors to deal with daily that would make most other peoples heads spin, and he has most of the time managed it with good nature and good humour and been highly efficient. Mention was made of the Estancia track. I think he is very much responsible for the strategic planning and the success of that particular project. I would also like to take this opportunity of welcoming Mr Brian Hill, his successor, who has arrived in the Islands today with his wife, at only three weeks notice. He is not a stranger to the Island and I believe he will be a very good successor to Charles. The Financial Secretary has made mention of Derek Howatt and his training and there is no plans whatsoever to reduce the training element of Derek's projected package. It may be that some of the attachments will take longer but the training will be fully carried out as was planned. Sir, I support the motion.

**The President:**

In closing I would just like to offer one or two remarks if I may. We do not have the Commander British Forces with us to make the last speech before mine. He is meeting the Admiral of the Fleet Sir Henry Leech, the First Sea Lord at the time of the conflict, who is revisiting these Islands and I am sure will be most welcome here.

Fisheries Outer Conservation Zone

On the FOCZ, which has been a subject of many remarks, I should say that Councillors were briefed in advance as to the proposed aims of the talks and indeed very soon after as to how they were going. I have always been open to views and was as willing and as able to express any then as at any time. At all events, as Councillor Mrs Edwards has said, a number of Councillors met Ministers before all this came about and were able to put their views very clearly, straight in, at that level. I don't think it can possibly be said that the Island views were not expressed or fully taken into account. All that having been said, I would emphasise that the FOCZ as instituted, is an important and very good arrangement for these Islands. To continue as before or to have gone for any other arrangement which might have been possible would have been much less advantageous and I think that must be remembered. I hope we can be rather more optimistic, about the benefits which the FOCZ can bring to us, than pessimistic. I think it is a very good arrangement and I think we should feel reassured by it.

The Planning Bill

On the Planning Bill, I quite appreciate that some people here may feel that once again the iron hand of bureaucracy is reaching the Falkland Islands. Life which seemed simple is getting more complicated; there are more controls on what we can and cannot do. This cannot be denied, but I am afraid such a trend is part

of modern life every where. We do at least have less of it here than in most places and I hope we will continue to do so, but we can't escape from some of it. What I am sure the Attorney General and the Select Committee have set out to produce and Councillors to enact, is a Bill which will be of benefit to the community at large. It will not prohibit development or stifle imagination, but it should result in a more attractive and perhaps safer environment for us all. Land and buildings and all associated with them, are what we live amongst, they are the furniture of our daily lives. We can't avoid them. It must surely be important to have a degree of regulation in all of this. At all events, the Bill is an Island Bill, enacted here. There has been dissent which is fair enough in a democratic society but, I hope insofar as I have anything at all to do with it, that it will be implemented not in a rigid or bureaucratic way, but in the way in which Councillor Peck has implied; and in which the Committee has viewed it, with common sense and flexibility so it is of benefit to all of us in the Islands, or the vast majority anyway, rather than the reverse. It will be up to Councillors, and Executive Council and the Committee involved, all of whom are Islanders and will be Islanders, to ensure that that is the case, so I think that it is a good thing to have on the stocks.

#### Calling the Falklands

On the BBC programme, I think that everyone may be assured that a communication will be going from Councillors to that august organisation before very long, expressing some views about the programme as seen from here.

I should like to associate myself with the thanks and appreciation expressed to Mr Carter, Inspector Bullock, both Buckland-James and indeed the good wishes expressed to Mr Howatt and Mr Hill. We look forward to seeing the latter in their new positions and we are most grateful for the achievement and work done by those who are leaving. Honourable Members, I think we have come to the end of the road today. I should like to thank you again for all your hard work and I don't under estimate the hard work required by such a detailed Bill as the Planning Bill and also all the other subjects. Thank you for all your hard work and contributions. This meeting is adjourned. Thank you.

QUESTIONS FOR WRITTEN ANSWER

(Asked between 6 to 14 November 1990)

Question No 5/90 by the Honourable H T Rowlands CBE:

In view of the escalating cost of diesel oil, will the Falkland Islands Government take early steps to consider the possibility of using wind power at the Stanley Power Station for the purpose of reducing the consumption of oil.

**Reply by the Honourable the Chief Executive:**

I am grateful to my colleague the Director of Public Works for his advice and co-operation in responding to this Question.

For some time the Public Works Department has been interested in the concept of using wind powered generators to augment the diesel fuelled Stanley Power Station.

From readings and research it would seem that the Falkland Islands Government should aim at a theoretical maximum wind produced power ratio of 0.25 of Station demand. At current demand levels this would indicate an eventual maximum target of 500 kW being produced from wind generators.

It is also considered that the wind power be produced from multiple small sets, i.e. five 100 kW, rather than one or two large units. This would give better production control and enable us to consider machines which have proven their technology and are therefore more assured.

The introduction of wind produced power will marginally reduce diesel oil consumption but its main purpose will be as a regulator to allow the diesel sets to work at their most efficient level and the fluctuating over demand to be catered for by the wind powered electricity. It will also allow better stepping down of power generation to the smallest diesel sets whilst again maintaining those sets' maximum efficiency.

These increases in efficiency will obviously be cost efficient in fuel terms but as importantly, the major diesel sets will run less hours and when they are running will be less stressed, which will lead to greatly increased useful "lives". With replacement costs of over £4m for our four larger sets and an expected life of 18 years if we extend this life to 24 years, we will have savings of £1.33m.

The cost of these wind machines is stated to be approximately £1 per watt, the 100 kW sets will be about £100,000 each and therefore the full programme £0.5m.

There are synchroneshing difficulties anticipated with the two types of power, as the frequency of the power curves will vary slightly and other similar problems will need to be catered for. This will involve an initial outlay to purchase suitable control equipment but once installed it should cover all future wind

turbines. The total cost of the full programme would therefore be some £650,000. This initial cost is less than half of the savings indicated for increasing the engine lives. There will be a significant fuel saving as you suggest but this cannot be quantified in any specific way at this stage.

If the Falkland Islands Government is supportive it could be recommended that £200,000 be included into the 1991/92 capital works budget for the purchase and installation of one 100 kW wind turbine plus the necessary ancillary equipment. This machine and its operation would be carefully monitored and after two years, if expectations are being realised, further machines will be considered.

Question No 6/90 by the Honourable H T Rowlands CBE:

Will the Chief Executive advise on the progress being made for utilising waste heat from the Power Station for the purpose of heating public buildings.

Reply by the Honourable the Chief Executive:

Crown Agents, in association with McLellan and Partners, undertook the investigation for further utilisation of waste heat from the Stanley Power Station. Their initial report and a subsequent more detailed feasibility study was presented to Executive Council this year. Executive Council requested that the work be slightly delayed and funds be allocated from the 1991/92 capital works budget. This work will therefore commence in the latter part of 1991.

Waste heat from the generator engine cooling systems is currently being used to heat the swimming pool and will also be used as the primary heat source for the new Senior School complex.

14 November 1990

Confirmed this 20<sup>th</sup> day of February 1991



Governor

RECORD OF THE MEETING OF THE  
LEGISLATIVE COUNCIL  
HELD IN STANLEY ON  
WEDNESDAY 20th FEBRUARY 1991

RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL

HELD IN STANLEY

ON WEDNESDAY, 20TH FEBRUARY 1991

**PRESIDENT**

His Excellency the Governor  
(Mr W H Fullerton)

**MEMBERS**

Ex-Officio

The Honourable the Chief Executive  
(Mr R Sampson)

The Honourable the Financial Secretary  
(Mr Derek Frank Howatt)

Elected

The Honourable R E Binnie  
(Elected Member for Camp Constituency)

The Honourable T J Peck MBE CPM  
(Elected Member for Stanley Constituency)

The Honourable H T Rowlands OBE  
(Elected Member for Stanley Constituency)

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

The Honourable K S Kilmartin  
(Elected Member for Camp Constituency)

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

The Honourable G M Robson  
(Elected Member for Stanley Constituency)

The Honourable G P Short  
(Elected Member for Stanley Constituency)

**PERSONS ENTITLED TO ATTEND**

The Attorney General  
(Mr D G Lang QC)

The Commander British Forces  
(Major General Malcolm Peter John Hunt OBE RM)

**CLERK:** Mr Anton Livermore CPM

**PRAYERS** Reverend Canon J G M W Murphy LVO MA

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APPENDIX A

**OPENING REMARKS BY THE PRESIDENT:**

Ladies and gentlemen, we have 4 papers to be laid on the table; 14 questions for oral answer, 2 Bills and some Subsidiary Legislation before us. First we have to confirm the record of the last meeting. But just before we do that I would like to extend a most cordial welcome to Mr Derek Howatt in his first appearance here as Financial Secretary, and congratulate him on his appointment to that role. I am sure Legco will benefit much from his counsel in times ahead, welcome.

**CONFIRMATION OF THE OFFICIAL RECORD**

The Records of the meeting held on 8 January 1991 were 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 the 8 January 1991.

The Land Fees (Amendment) Regulations 1991  
The Drugs Trafficking Offences Ordinance 1989 (Correction of Errors) Order 1991  
The Census Form (Regulations) Order 1991  
The Census Order 1991

**QUESTIONS FOR ORAL ANSWER**

**Question Number 8 of 1991 by the Honourable Mrs Norma Edwards:**

Would the Honourable Chief Executive state for the benefit of the farmers in the Camp the progress being made concerning agricultural grants and aid packages now being drawn up by the Department of Agriculture, and would the Honourable Chief Executive also take on board that with the continuing, extremely low wool prices further aid may well be required in the 1991/92 season?

**The Honourable the Chief Executive:**

Your Excellency, the agricultural grant scheme, with the introduction of the EDF funds into the grant scheme, the administration and procurement for certain items such as fencing, buildings, trailers, mobile pens, grass seed and fertiliser will change. The main benefit being that farmers will not now be required to pay for goods until the project is completed, even then it will only be the farms contribution. These materials are expected to arrive in Stanley about the end of March. The aid programme, to date only nine farms have not applied for financial assistance from the Falklands Government. Of the nine only one has a mortgage. All mortgage payments that have been applied for have been cleared till the end of January these have been in the form of payments to the mortgagor and also refunds to farmers where payments have been already made. There are one or two

exceptions to this but this is mainly where clarification of amounts are required. The Government is fully aware that further aid may be required for the 1991/1992 season and the Department of Agriculture has begun to collect detailed financial information from farms in order that it may advise us accordingly.

It would be unwise for anyone to assume that aid will be continued to apply across the board. Some farms are expected to be shown as un-sustainable in the medium term. I have warned this House in the past that hard work and commitment will not always be enough in the wool crisis situation. Hard decisions will become apparent and it is difficult to see how some insolvency can be avoided. However, we will continue to give this matter a very high priority.

**The Honourable Mrs Norma Edwards:**

I thank the Honourable the Chief Executive for his answer, but may I just point out the EDF system in many respects is going to leave the farmer worse off and I quote here from a letter received from the Agriculture Department, we are informed that it will be buildings, or kit buildings but not building material for which assistance will be available under the EDF scheme and that we discover no 100% grant aid but 75%, 30% is under the original 5 year plan, and no provision is made for labour in this, to this aid and I am worried really that, I am afraid people are not going to be able to afford to put up the fencing that, for instance, is offered in this grant scheme. There is also a time limit on when it is to be finished and I am afraid we were far better off I think with the old grant scheme as far as the EDF goes.

And the other thing I would like to point out is that Falkland Farmers are very likely to go out of trade because of the fencing brought in through the EDF and the materials brought in through the EDF scheme. Their cash flow comes from fencing and if they can't continue in the way they have been doing over the past years then I am afraid there will be serious repercussions and may I also point out that it is expected that there will be a 40% decrease on wool prices this year compared with last year and at those costing's, we worked out the costs the other day, and it would mean we will get somewhere in the region of 75p a kilo if we are lucky for wool which in that case means its not even worth bailing. So I do feel that Government must be aware that there will be even more problems next year and more aid required next year I am afraid from the farming community if the wool crisis continues. Thank you.

**The Honourable the Chief Executive:**

Thank you Sir, yes, the EDF matter hasn't been finally resolved and we are still in touch with Brussels. We were recently in contact with ODA to secure their support and I have some confidence that we will see the type of package that has been

explained in the past, but that hasn't been clarified. The business of labour: you are not going to be worse off than you were before. It simply means you haven't got the money to meet those obligations that you had before.

As far as Falkland Farmers is concerned, very positive action has been taken by the Falkland Islands Development Corporation to take up the funding of the fencing so that that will be held by FIDC until it is required and therefore there won't be a cash flow problem in that respect with Falkland Farmers.

**The Honourable Mrs Norma Edwards:**

If I might just add Sir, Falkland Farmers rely a great deal on the fencing that they sell. If that part of the business is to be taken over by FIDC it will indeed make a great deal of difference to Falkland Farmers, I am sure.

**The Honourable the Chief Executive:**

Your Excellency, I think again the Honourable Member has perhaps picked me up wrongly or I haven't been sufficiently clear in explaining. We are not taking over the role of Falkland Farmers. FIDC are to provide them with the money until they are able to sell the fencing. We are being helpful to sustain Falkland Farmers and not put them out of business.

**The Honourable Mrs Norma Edwards:**

Thank you.

**The Honourable T J Peck:**

Your Excellency, may I ask the Chief Executive whether there is any merit in assisting Falkland Farmers in expanding a little further. Government have large stocks of materials and supplies at Megabid. Now this Council knows better than any that Government do not operate successfully commercially and I believe that there is some merit in exploring the possibility that the stores and supplies at Megabid could possibly be sold in some way or another to assist Falkland Farmers in possibly expanding and providing a much better service. As at present not many people are aware of just what are in the way of stocks and supplies at Megabid. Thank you Sir.

**The Honourable the Chief Executive:**

Your Excellency, I thank the Honourable Member for his suggestion and I will certainly see that that is examined. I can't agree that Government is always unsuccessful commercially, there are a few notable exceptions, but I do understand what he is implying. Thank you very much.

**Question Number 9 of 1991 by the Honourable Mrs Norma Edwards:**

Will the Chief Executive explain fully the links between the Falkland Islands Government, or any Department within Government and the present plans of the Falkland Islands Company, Anglo United to sell off all its agricultural holdings?

**The Honourable the Chief Executive:**

Your Excellency, acting upon guidance arising from Executive Council on the 15 January, I made contact with Anglo United and asked if their farms might be available for sale. It transpired that this was the case. His Excellency the Governor at once consulted with Executive Councillors who agreed that more information should be sought from Anglo United. It is important that Government is in a position to make a considered and weighted response to such important issues. Aware as I always am of lessons to be learnt from the past, I tasked a small group of Officers to begin to consider the implications of such a purchase were it to take place and what options would be available to Government in both the short and long term.

Honourable Members may be aware that a report on the sale of the farms was presented to Executive Council on the 19 February. The current situation is that agreement has been reached that initial contacts on this be continued and that I will make full use of the working group in the assessment and planning of this opportunity. No decision has been taken other than to explore further the potential of this prospect, the prospect that has not arisen for over 100 years and may not arise again in the foreseeable future.

**The Honourable Mrs Norma Edwards:**

May I ask the Chief Executive and be assured by him that we are not, and if we do go ahead with negotiations with the FIC regarding this sale we are not going to forfeit any Government assets in lieu of land?

**The Honourable the Chief Executive:**

Your Excellency, any negotiations could very easily be compromised by saying too much too early on. I would find it most unusual if I found myself not being able to give the Honourable Member the assurance she requires. But I would like to have some shade of flexibility in that.

**Question Number 10 of 1991 by the Honourable Mrs Norma Edwards:**

Would the Honourable the Chief Executive explain what progress if any has been made between the Falkland Islands Government and the Department of Transport regarding dispensation for our local Masters of Forrest and Monsunen and would he further confirm that there will be no disruption of Coastal Shipping services to the Camp should both the local Masters be required to go away for

further training in the United Kingdom?

**The Honourable the Chief Executive:**

Your Excellency, a number of helpful contacts have taken place between the Administration and a representative of Coastal Shipping and the Department of Transport which have all been very ready to take into account local circumstances. Dispensations have been granted up to the 30 April 1991. After that date it is planned, baring exceptional circumstances, further dispensations will not be required. One of the local Masters is to attend a course in United Kingdom leading to a higher grade certificate and a command endorsement. The present certificate of the other will be upgraded on the basis of experience, but it is planned within the next year that he will attend some subsidiary courses in ships Masters medical, navigation control and certificate revalidation. At the end of this exercise, both Masters should be fully qualified in accordance with the applicable regulations to operate both vessels in the coastal trade and on voyages to Punta Arenas. The Attorney General had discussions with Coastal Shipping Ltd. Management last week, as a result of which it is understood that in order to provide cover so as to enable an adequate service to be maintained during the absence of the local Master on courses overseas, it will be necessary to engage a temporary Master, and the Coastal Shipping Board's approval for this is to be sought. Subject to this it would appear that Coastal Shipping will be able to ensure continuance of its normal excellent standard of service without disruption.

**The Honourable Mrs Norma Edwards:**

Thank you very much for that answer and may I just say thank you for all the hard work which has been done to sort this problem out, thank you.

**Question Number 11 of 1991 by the Honourable T J Peck MBE CPM:**

Will the Administration explain the reason why the Foreign and Commonwealth Office in their negotiations with Argentine representatives in November 1990 agreed to leave a segment of international water between the Argentine EEZ and the western extremity of the FOCZ. When may we expect to have the present proclamation amended or a new one declared which will include this area of sea, which under international law belongs to the Falkland Islands?

**The Honourable the Chief Executive:**

Your Excellency, Honourable Members are aware that when Her Majesty's Government entered into negotiations with the Argentines last November it was with the aim of achieving a deal that secured a lasting advantage for Falklands fishery, something that the FOCZ manifestly achieves. The two western boundaries of the FOCZ however prove the last remaining sticking point in the

negotiations with the Argentine position leaving large gaps both north and south between the FOCZ and the EEZ. The U.K. side eventually succeeded in closing this small gap such that the two boundaries almost touch each other in a number of places, and secured agreement that arrangements to stop this area being exploited would be taken up in the Fisheries Commission as a matter of priority. A further proclamation has not been ruled out. There is need to see what actually happens this season and I can guarantee that the matter will be closely monitored.

**The Honourable T J Peck MBE CPM:**

Thank you Chief Executive. Can the Chief Executive assure this Council that whatever happens, whatever is decided in connection with the Falkland Islands Outer Conservation Zone that Members of the Council, Executive Council at least will be made copies of a map outlining the exact areas and with the written detail regarding all negotiations will be made available to Council whatever future discussions are to take place?

**The Honourable the Chief Executive:**

Your Excellency, I really haven't got the authority to give that assurance because we are talking about Her Majesty's Government but I would suspect that under the circumstances of the unfortunate way in which the FOCZ was documented that every effort will be taken to make certain that that doesn't happen again, and I would be most surprised if the fullest consultation and information were not to be supplied in future.

**The Honourable Mrs Norma Edwards:**

Can I just make a point? If I may inform Councillors, I was talking to our Senior Pilot yesterday and he had been out in that area on surveillance work. He documented the names of 25 vessels in that particular area; he saw another 30 vessels fishing in that particular area, and he said had he gone further north he was quite sure there would have been 80, 90 maybe even more vessels, and they are congregating in that very place and it is imperative, I feel, that the Foreign Office amend the 200 mile or the FOCZ as soon as possible. We are told that every FOCZ has its bolt hole and that is ours I think and at the moment it is full of fishermen.

**The President:**

I know that representations have gone from London to the Oriental Nations about that problem already, so action is already being taken.

**Question Number 12 of 1991 by the Honourable T J Peck MBE CPM:**

A number of Councillors have become increasingly concerned about contracts being awarded to non local companies. It is understood that the Public Works Department are intending to erect 6 single



units of accommodation in Jeremy Moore Avenue. Will the Administration assure Council that this and other works will be put out to tender to local construction companies?

**The Honourable the Chief Executive:**

Your Excellency, I am happy to give the Honourable Member the assurance he requests, the Public Works Department has already asked by Public Notice for all those interested in tendering for these works to register their interest with the Department. Tenders for the construction of the new six block accommodation on Jeremy Moore Avenue will then be invited. There is of course an agreed budget for these works and tenders which will be submitted will need to fall within the approved financial provision.

Depending on the tenders received, the Tender Board will make recommendations as to who will get the contract or whether the works should be done in-house by Public Works Department. Honourable Members will be aware that PWD recently employed a Works Manager to supervise such projects and to build up a small efficient work group within the Department to undertake projects such as the new six block units. The work group is presently constructing the new FIBS studio on John Street and there is expected to be a financial saving on this project. It is the practice for the majority of construction and other works to be offered for public tender.

It may be of interest that since December 1989 until February 1991, twenty-eight tenders have been promoted, seven have been awarded to contractors from Britain and they include PSA, Marr and South Coast Aviation; two contracts have yet to be awarded. The balance of the nineteen were awarded to Falkland Island companies, businesses and individuals.

Question Number 13 of 1991 by the Honourable T J Peck MBE CPM:

With the impending visit of his Royal Highness the Duke of Edinburgh will the Administration take steps to have all the grass verges within Stanley trimmed and all debris removed. Further more, will the appropriate authorities be instructed to remove all cast vehicles, plant and rubbish which litters Government land along the many streets and roads in Stanley and its suburbs before the Royal Visitor arrives in our Country?

**The Honourable the Chief Executive:**

Your Excellency, in view of the forthcoming Royal Visit every effort will be made to clean up Stanley prior to the event. The Public Works Department plan to get all the grass verges trimmed and are making arrangements to gather up all loose rubbish lying about the town. It is understood that there are no cast vehicles or heavy plant items littering Government land in Stanley apart from one or two cases which are known and are being addressed.

I welcome the question from the Honourable Member because this is a matter in which Government can only give a lead and set an example. It is the people who can give most in this matter. The Royal Visit is an occasion for civic pride to be demonstrated. It is hoped that flags will be flown at every mast, but that won't mean that the studied untidiness of some privately owned properties will go unnoticed. Prior to the Duke of Kent's visit, some concerned citizens made a real effort to tidy up areas of the town, this was appreciated and we welcome it again. The Royal Visit represents a great incentive to further improve Stanley's smiling face.

**The Honourable T J Peck MBE CPM:**

Thank you Chief Executive, does the PWD have the necessary resources and man power to deal with this problem before the impending visit, or would it need to call on assistance from outside, and if so are we able to fund this?

**The Honourable the Chief Executive:**

Your Excellency, I have discussed this with the Director of Public Works, he doesn't see it as a major programme, but I feel sure that under the circumstances if additional resources were needed it wouldn't be impossible to have Council will the means to make it happen.

**Question Number 14 of 1991 by the Honourable G P Short:**

In the estimates for 1990/1991 under the heading of Post and Telecommunications the sum of £10,000 was included for an expert to look in, look at and make recommendations on all aspects of radio laws in the Falklands. Can the Administration please say whether the study has been initiated, whether the expert will visit the Islands, and whether other interested groups such as the Radio Amateur Fraternity will have the opportunity to have an active input at all stages of the study?

**The Honourable the Chief Executive:**

Your Excellency, to date the study into all aspects of radio laws has not been implemented. It hasn't been possible to identify a suitable consultant to undertake the high degree of technical work that is necessary. However, further efforts are being made in order to engage a properly experienced expert later this year. Any report forthcoming from the consultant would be submitted to Executive Council for consideration. Subject to the views of Members it is anticipated that such a report would be circulated for comment to interested parties in the Islands and we would expect that should the consultant visit the Islands he would indeed have every opportunity to meet with the users concerned.

**Question Number 15 of 1991 by the Honourable G P Short:**

As we are aware the contract for Camp Tracks has been awarded to

PSA. Can the Chief Executive please assure this House that locals are not precluded under the terms of the contract from working on the project and if this is the case that any workers brought in for the contract due to lack of local labour will not be paid at rates lower than those in the FIG, GEU wages agreement?

**The Honourable the Chief Executive:**

Your Excellency, PSA like all external and local contractors have been informed that the permits which are required under the Immigration Ordinance 1987, for non-resident workers to be brought in, are in accordance with the usual policy not likely to be granted unless the Principal Immigration Officer is satisfied that the relevant skills are not likely to be available locally. The Principal Immigration Officer requires companies to have explored this matter on the basis of prevailing local labour rates and conditions and PSA are aware of this. I have been assured by PSA that they are anxious to recruit local labour to the Camp roads project with the proviso of course that they meet the basic requirements of the wide range of jobs that will be needed for the task. The Government agreement with the GEU strictly speaking applies only to Falkland Island Government employees.

**The Honourable G P Short:**

Does the Chief Executive know when recruitment is likely to start?

**The Honourable the Chief Executive:**

I am not in a position to answer that Sir, but I understand that the Chief Executive of the PSA will be in the Islands later this month and I will be happy to put that question to him and pass on the answer to Honourable Members.

**The Honourable R E Binnie:**

Can the Chief Executive explain a bit further. I always thought that the agreement between Government and the Employees Union was the set rate for Stanley hourly paid workers and not just for Government?

**The Honourable the Chief Executive:**

Your Excellency, it may be used as a yard stick but it is certainly not the case. The Government could enforce a minimum wages rate by Order under the Labour Minimum Wage Ordinance, but for many years no such Order has been made.

**Question Number 16 of 1991 by the Honourable G P Short:**

Some time ago a survey by the Board of Health was to be held on the accommodation units inside the warehouse on FIPASS which is

currently used to accommodate the Saint Helenians. Can the Chief Executive please tell the House of its findings and recommendations?

**The Honourable the Chief Executive:**

Your Excellency, an inspection was carried out on the accommodation units, not by the Board of Health but, by Doctor Hamilton, the then Chief Medical Officer. The following conclusions and recommendations were made by him.

The accommodation block occupied by the Saint Helenian workers at FIPASS provides living accommodations which are basic to the extreme and fall far short of meeting any sort of civilised standard. The lighting and ventilation are inadequate and there is no possibility of improving them in the present building. The toilet and washing facilities require urgent upgrading with an improvement in ventilation, heating and drainage. Proper management of the facility would demand that a regular programme of cleaning be carried out in these areas. Proper washing and drying facilities for clothing should be provided as a matter of priority. It should be considered that this accommodation is regarded as temporary and that definite plans be drawn up to rehouse the residents in more suitable conditions.

What Doctor Hamilton did not do was to consult with the Management, the Fisheries Department, nor the workers in the accommodation, nor did he report to me. Had he done so he would have been advised that the workers had been offered improved accommodation but were reluctant to contribute an additional £12.50 per week which represented only part of the extra costs. Their current charge is under £26 a week for accommodation, heating, and all meals. Following consultation with St. Helena in 1988 on this issue, all staff recruited for FIPASS are shown photographs of the facilities before their engagement. Some of the staff accommodated there now are on their second, third and fourth yearly contracts.

I fully accept the limitations of the accommodation. The same observation can sadly be levelled at other portacabin accommodation occupied by Islanders. Every effort is being made to re-house those by the Housing Committee, the difficulty is well known in this Chamber and that is the constant of insufficient housing stock. Were significant improvements to be instructed on the FIPASS accommodation a diversion of resources would be required from elsewhere. The repair and maintenance matters mentioned in the May report have been addressed by PWD.

**Question Number 17 of 1991 by the Honourable W R Luxton:**

Could the Chief Executive please throw some light on the pricing policies of Stanley Services, which despite the drop in oil prices leaves Falkland Islanders with one of the worlds highest fuel prices?

**The Honourable the Chief Executive:**

Your Excellency, domestic fuel prices in the Falkland Islands are effectively controlled through a clause in the contract between the Government and Stanley Services Ltd. This ensures that the position which the Company holds by its exclusive licence is not abused. The only element which can be affected by what the Honourable Member calls the policy of Stanley Services is that of the timing of any increase or decrease. The effect of the Gulf crisis began to be felt in international fuel prices generally in July, August last year. Stanley Services continued with the policy to implement price changes only as stock purchases at the new prices were drawn upon. In October 1990 a period of extreme volatility commenced and a substantial price increase was declared by the suppliers. That increase was not passed on in full to the Falkland Island consumers. The board of the company, which includes Government Representatives, considered the situation in full and decided that in the short term such volatility was not helpful and that the then retail price should be maintained for the time being. The situation will be reviewed again at the next meeting to be held in early March when current figures will be made available. The Government will ensure that price control which limits the profits of all fuels supplied to all customers living in the Falkland Islands is enforced. It must be borne in mind that any perceived serious worsening of the oil reserves situation in the Gulf could still have a major adverse impact on fuel prices generally. We are all aware that this commodity price is not always related to supply on demand but to external international influence upon the market. In short if through earlier action to stabilise the price there is a windfall profit, adjustment steps will be taken to ensure the overall price control is applied.

**The Honourable W R Luxton:**

Your Excellency, I thank the Chief Executive for his reply but we have always had very high fuel prices here and in fact I believe the current price of oil is just about the same as it was one year ago and in relation to the fact that for instance, I think agricultural diesel in the U.K. is sold to the consumer at about 12p a litre. There is an enormous discrepancy between that and the 30p that we are presently paying. I wonder whether the Administration are happy that the suppliers to Stanley Services are giving us a square deal and should we be looking elsewhere?

**The Honourable the Chief Executive:**

Your Excellency, the suppliers to Stanley Services are of course the Ministry of Defence who have their own pricing policy. Now it often works to our great advantage because they are huge buyers of the commodity and therefore can negotiate an attractive price. We do of course have to pay for the shipping down here and I would be surprised if there was not a considerable administrative charge that is added to it. All of this should be greatly eased by the production of the fuel depot that Government

is currently planning to fund within Stanley Services. At the moment we are paying the price that the MOD will charge to other users like us in most parts of the world and there is no alternative for the quantities that we want to those suppliers. The great thing about the Ministry of Defence is that they are 100% secure. When we want the fuel they provide it and there is no other alternative to that at the moment.

**The Honourable Mrs Norma Edwards:**

Perhaps the Chief Executive could throw some light on the fact that oil prices rose drastically in October because of the Gulf crisis but they have fallen and we are told now that they are about \$20 a barrel and probably will go down to \$18. So can we presume that within the next month or two when Stanley Services have their next meeting, that there will be a decrease in the price of domestic fuel?

**The Honourable the Chief Executive:**

Your Excellency, I think it would be unwise to make that assumption. We only reflect the price increase when the time comes for us to replenish our supply now I would expect that the Ministry of Defence have the same policy. Now if they brought X million gallons in October until they are replacing those X million and they have it in a position that we are starting to receive it, the price will not change and it is galling I know to see the oil barrel price alter up and down but sadly it isn't reflected in the prices that are charged to us. The profit that Stanley Services makes from fuel and domestic fuel is that fuel that is provided to all its Falkland customers. It is not just petrol in Stanley, it is diesel in Camp, any type of fuel. The profit that Stanley Services makes from that fuel is fixed whether it is \$100 a litre or 10p a litre the percentage of profit is the same, so it really isn't in their interest for the price to be high.

**Question Number 18 of 1991 by the Honourable W R Luxton:**

Your Excellency, while Falkland telephone users appreciate the efforts being made by local employees of Cable & Wireless to improve the present dreadful performance of the system, could the Chief Executive please advise Council if following my last question on this subject his effort to persuade Cable & Wireless head office to give more attention to the present mess has achieved any success?

**The Honourable the Chief Executive:**

Your Excellency, I thank the Honourable Member for his usual restrained question on this matter. As I said in my reply to the House on the 8 January, Cable & Wireless are acutely embarrassed by the continuing difficulties with the Camp Telephone System and are working hard to eliminate the problems. Cable & Wireless's head office is of course in regular contact with the Government's

consultant, Mr Bob Measures, in this matter and copies of his reports are circulated to Honourable Members.

Cable & Wireless's head office are aware of the problems and are involved in the procurement of parts which are required to rectify the faults in the Camp system. Some of these parts need to be obtained from the United States and logistical problems therefore arrive. A recent case concerned a shipment of a consignment of new charger units which were delayed by the US customs authorities due to increased security arrangements because of the Gulf War. Honourable Members are scheduled to meet with representatives of Cable & Wireless tomorrow so they will have the opportunity to discuss fully all aspects of the Camp telephone system at that time. And again, it is a major concern of Government and we will not ease up on the pressure to have the contract properly executed.

**The Honourable W R Luxton:**

Your Excellency I thank the Chief Executive for that reply which is much as I expected but I would like to differentiate between the VHF system which we are aware of the problems and the Micro-Wave system which has been accepted. From a personal point of view, I have to say that initially it was very, very good. I wonder if the Administration is aware of how it is deteriorating already at the extremities. When it started to deteriorate I began keeping a log of calls, but I think I covered one sheet during the course of 1990. Since January and February of this year, in order to save trees I have given up keeping a log of the number of times it has gone off, it has been quite appalling: it is a daily occurrence to have dreadful noises on the line or else it is off completely, so I am concerned that the system which we have accepted is deteriorating and I wonder if the Administration are aware of this and I hope this can be rectified as well.

**The Honourable the Chief Executive:**

Sir, the Administration are acutely aware of the matter the Honourable Member reports we are in constant contact with Cable & Wireless. As this system beds itself in, so there are certain shortfalls have appeared, there has been trouble with batteries, there has been trouble with charging units, there has been trouble with crystals, there has been trouble with interferences. Everyone is applying their minds, both Cable & Wireless and the military who have been linked to some of these interference problems and both have devoted expensive technical time and equipment to rectify it. I would urge the Honourable Member to not spare the trees but to keep a record like everyone else and to make sure those details are fed into Cable & Wireless because without that sort of detailed fault finding, fault identification, we can't hope to get the matter rectified.

**Question Number 19 of 1991 by the Honourable W R Luxton:**

Your Excellency, part of this question has overlapped with a



question by the Honourable Mr Peck. If and when we ever see minerals legislation which all Councillors have asked for, as a matter of urgency can we be assured that it will contain no monumental loopholes such as the one recently revealed in the setting up of the Outer Conservation Zone?

**The Honourable the Chief Executive:**

Your Excellency, the Administration shares the desire of Honourable Members to achieve the introduction of minerals legislation in this House. Such legislation has been prepared in draft by my learned friend the Attorney General. It is detailed legislation. As the Honourable Member will be aware it was not our legislation which was in any way at fault in relation to the Outer Conservation Zone. As to that, the Honourable Member will have noted the reply that I have given earlier to the question 11/91.

**The Honourable W R Luxton:**

Thank you Sir, what concerns me is that of course this won't really be our legislation either. It will be subject to approval of the Foreign Office or whoever. I hear what the Chief Executive says that it was the hole in the bottom of the sea that was a matter of negotiation. I remain to be convinced that it wasn't just a ghastly mistake or an oversight and I wonder who was really responsible for negotiating a system like that which left such a glaring loophole which foreign fishermen were bound to take advantage of, and in fact why even, my understanding is that the Fisheries Department weren't aware that this loophole existed until fairly recently.

**The Honourable the Chief Executive:**

Sir, as I have explained the minerals legislation has been drafted here. Any clearance of international and foreign affairs matters is of course a well known fact within Government, but I have no reason to believe that you will find the monumental loopholes that you refer to in the type of legislation that will be required for minerals legislation.

**The President:**

The gap in the FOCZ is certainly regrettable and certainly something which action needs to be taken on and is already being taken on. I don't think it quite rates the term monumental in the sense that it is nowhere wider than ten miles and it is one mile wide at the bottom end. It goes a narrow slither for 100 miles varying 1 to 10. So those fishing in it as you rightly pointed out, we certainly don't want, and we are doing and will do what we can to stop it, but it isn't, perhaps, monumental; it is bad and not desirable.

**The Honourable K S Kilmartin:**

Would not the Chief Executive agree that it is the legislation to extend the continental shelf that has the potential to be flawed rather than the minerals legislation which, after all these years, should not be too much of a problem?

**The Honourable the Chief Executive:**

Your Excellency, the question that we were asked to address was that of the minerals legislation. We can be sure that there will be no loopholes at the moment because we are talking about 12 miles. Were the continental shelf to be extended, I believe that that would be a matter of a proclamation rather than legislation, but you can be certain that it will be given the most detailed and serious consideration by all concerned.

**Question Number 20 of 1991 by the Honourable H T Rowlands CBE:**

Will the Chief Executive take immediate steps to refer a paper to Executive Council for the introduction of a Public Service Commission to the Falkland Islands?

**The Honourable the Chief Executive:**

Your Excellency the matter will be given consideration. The implementation of the proposal which as, I understand it, will provide a body that has the responsibility for Government appointments and appeals by employees, if approved by Executive Council would involve some quite complex legislation. We would have to find a number of suitable members of the public to serve as members of the Public Service Commission, as the Public Service Commission could not include among its members any Elected Members of the Legislative Council. The Honourable Member will be aware that we always involve members of the public as the majority of the members of any Public Service Appointments Board for senior staff, that is G4 and above. The function of the Public Service Appointments Boards are advisory only, as under the Constitution, section 76, the responsibility for all appointments is that of the Governor. The establishment of a Public Service Commission would not alter this situation in any way whatsoever. The functions of a Public Service Commission under section 76 of the Constitution would still be to advise the Governor about appointments. The Public Service Commission could not be able to make such appointments.

As the Honourable Member will be aware it is the practice of His Excellency the Governor to consult, whenever possible, Elected Members about important appointments whilst not binding himself to accept their advice. The effect of establishing a Public Service Commission by Ordinance would appear to restrict the Governor to consulting only the Public Service Commission and Public Officers as it would be difficult for him to justify consulting Councillors at all, when he had had advice from a formally established Public Service Commission. It will be a

matter for Elected Councillors in Executive Council if a paper is before them as to whether there is any advantage, in these circumstances, in the Falkland Islands establishing such a Public Service Commission.

It is important to bear in mind that a Public Service Commission normally has its own staff and its own premises therefore an expenditure and provision of facilities would have to be considered. This could well be justified in a territory with a much larger population and a Public Service than is the case here, but they may not be so easy to justify in the circumstances of a very small territory with a small Public Service such is the case in the Falkland Islands. It should also be noted that any Bill which provides for the establishment of a Public Service Commission would require the approval of the Secretary of State.

**The Honourable H T Rowlands CBE:**

I thank the Honourable Chief Executive for his reply and I look forward to receiving the paper in Executive Council in the very near future.

**The Honourable T J Peck MBE CPM:**

Will the Chief Executive not agree with me that under the present constitution the appointments and termination of Officers lies with His Excellency the Governor, but, what right does an Officer should he have his contract or appointment terminated, where would he appeal to. I mean at the present moment we have the draconian Colonial Regulations, there are General Orders; both completely out of date. At the present moment no-one can appeal to anybody and this is what concerns us very greatly.

**The Honourable the Chief Executive:**

Your Excellency, such Officers always have the right of appeal first of all to the Chief Executive, and then of course to yourself and there are occasions when Officers have petitioned the Secretary of State. I don't believe there is any fairer system than having recourse to a Secretary of State level appeal being heard.

**Question Number 21 of 1991 by the Honourable H T Rowlands CBE:**

Although there has been very impressive progress on the road to Port Louis, will the Administration take early action to request Standing Finance Committee to provide funds for the purchase of mobile homes to accommodate the road team, thus avoiding time and expense on travelling to and from the site each day?

**The Honourable the Chief Executive:**

Your Excellency, I am delighted at the splendid work carried out by the Public Works Department on the Port Louis road is recognised as impressive, Honourable Members will know that the

Port Louis section will be completed next month. The project will then concentrate on the road to the west to Teal Inlet and Douglas Station. It is the intention of the Public Works Department to provide accommodation for those phases. Negotiations are in hand concerning the type and the costs of suitable mobile homes. These are expected to be in place for next season and appropriate application for finance is being planned at this moment.

**The Honourable H T Rowlands CBE:**

My understanding is that the road works will continue for some time yet until the weather gets bad. I believe that there is the possibility of purchasing the accommodation immediately and therefore I would ask this matter to be brought up to Standing Finance Committee tomorrow.

**The Honourable the Chief Executive:**

I would be happy to do that Sir, the intention I believe of the Director of Public Works is to make certain that we provide appropriate accommodation because of the highly inclement nature of the weather that they can be exposed to and I believe his initial thoughts are that such high standard accommodation is not readily available, but I will certainly be pleased to bring this matter to his attention and Standing Finance may consider it tomorrow if it is appropriate.

**The Honourable Mrs Norma Edwards:**

Can I just point out if I may Chief Executive, that if the accommodation is not going to be available until next year they may well be nearly finished by then, by the time it arrives. I understood you to say that by next season they hope that the accommodation will be in place and they may be well on their way to wherever they are going by the time the accommodation has arrived, nearly finished the job.

**The Honourable the Chief Executive:**

Your Excellency, I wouldn't be that optimistic about their ability to build roads at that particular speed and there is, because of the terrain, a very low probability that they will be able to work throughout the winter months on the Teal Inlet which is very soft camp indeed. The overall plan is that the construction of the roads will take place at a time when the accommodation will be in place for next season.

#### ORDERS OF THE DAY - BILLS

#### THE INCOME TAX (AMENDMENT) No2 BILL 1991

**The Honourable the Financial Secretary:**

Your Excellency, this Bill is the first of two Bills to amend

the principal Income Tax Ordinance, remitted to Legislative Council at yesterday's meeting of Executive Council. The Bill proposes to amend the law to bring into effect the tax reforms approved at the budget session of Legislative Council and confirmed following the taxation review. These include mainly a deduction in tax rates and an increase in allowances. I intend to detail the amendments at the committee stage of the Bill. I beg to move the first reading of the Bill.

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

**The Honourable W R Luxton:**

Your Excellency, Honourable Members. We are still being presented with amendments to the legislation and I am not absolutely certain whether the one we have just received is to this one or the other one or both, I think it might be both.

I would just like to make a few general comments on this. This particular Bill, the first one, I don't have a lot of reservations about because I would thank the Attorney General for doing what we asked him to do which was to divide the revenue matters from the more contentious items in the No3 Bill, I think it is, which will become No2. I am sure other people are as confused as I am. In the schedule to this, the first one which we are dealing with, I just have one or two reservations in fact of a general nature, but then at some stage the Attorney General says in his memorandum that we will be receiving a completely revised edition of the Income Tax Ordinance anyway, which will be welcome as it is very very confusing at the moment trying to find out what is what.

But section 12 of this the differentiation between the distributed profits between local companies and overseas companies, I am not going to ask for an amendment for this but when the revised one comes through, I do query and I would ask the Financial Secretary to think about what we are actually aiming for. Whether we do want overseas investment in these Islands. We can't I believe manage everything ourselves. There aren't the funds or the people here. We should ask ourselves whether we do want overseas companies to come into these Islands and if so whether they should expect a reasonable reward not to be taxed at a different rate to local companies.

Also I have reservations about the Section 11; the first £20,000 of chargeable income at 20% that means basically I think nearly everyone in the Islands is going to be paying 20% on their chargeable income. I doubt if there are very many with a chargeable income which means it is far higher than that gross income over £20,000 and I wonder whether 25% is in fact an appropriate level for that in view of the fact that those people on those sort of salaries are probably remitting most of it overseas anyway, but whether they couldn't stand a slightly higher degree of tax.

So with those reservations and the fact that we are getting, I believe, a comprehensive review of whole thing, I would just like to suggest in advance that the next Ordinance may be put to a Select Committee really just to give the Financial Secretary a bit of warning and other Members might like to think about that. This one will go through I take it because this implements the rate changes agreed by Select Committee at the budget and it is necessary for the Tax Office to be able to get their paper work done. But, the next one I think is much more contentious, thank you Sir.

**The Attorney General:**

Your Excellency, Honourable Members if I were to respond to, not to the policy points which the Honourable Member has made, but "why these Bills?" Of course this is the No2 Bill we are in the second reading of before the House today.

As Honourable Members will know, there was a Tax Consultants' report which was referred to a sub-committee of Councillors and they came to some conclusions and made some recommendations as a result of that. Their report was referred to the Executive Council and I was asked by the Executive Council to incorporate as many as possible of the changes as reasonably could be incorporated by me in draft legislation at this stage. I say "as many as possible of the changes" because some of the changes which Honourable Members agreed are not incorporated in the Bill or either of the Bills: and the reason for this is they will require very careful consideration and very careful drafting and will involve, I think, the engagement of a tax specialist and a tax specialist draftsman. That is the background to why there are these provisions only before the House today. I would agree immediately with the Honourable Member that the present Income Tax Ordinance which these two Bills today seek to amend is hopelessly confusing. It is very difficult for anybody to pick up all the amendments which have been made over the years. I think there have probably been at least 32, if I remember rightly, amending enactments of the original Income Tax Ordinance. It is not available widely locally and what I intend to do if Honourable Members have no objection to that course is after todays proceedings and presuming that these two Bills before the House today are enacted, to get published in the Gazette with all its "warts and all" the present text of the Income Tax Ordinance as amended to date. I say "with its warts and all" because in many respects it is imperfect. It has been amended so many times over the years. What we have really been doing is put new wine into old bottles and we know that proverbially that that doesn't work very well: but at least people will be able see the whole of the Income Tax Ordinance as it exists.

It is the intention to replace the Income Tax Ordinance wholesale because it's creaking and I hope, and I know my Honourable friend the Financial Secretary hopes, that the text of the draft Bill will be available later on in this present calendar year. That

will clearly have to be considered by Honourable Members and they will, before it even reaches this House and in some detail, and there may be some policy points in relation to the drafting which will have to be referred to Honourable Members. It will then of course be a matter for Honourable Members when it is considered in this House as to whether it should be remitted to a Select Committee. I can see every advantage in that course because, it is clearly important that we get it right. I have answered the Honourable Member's remarks in detail because I think it is important that Honourable Members should know what is proposed and that the public shall realise what is proposed, and what Councillors have in fact agreed as a matter of policy of proceeding with the revisions of Income Tax legislation.

**The President:**

Any more comments on that?

**The Honourable H T Rowlands CBE:**

Your Excellency, I just rise to support this first Income Tax Bill. I believe that it is not much more than the first aid measure to the Tax Ordinance and some of the figures are bringing them up to date and I think it is to the advantage of all tax payers. Therefore, I have no objection to the Bill being proceeded with and I support it.

**The President:**

I think we don't have any objections so the Bill will be read a second time.

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

#### THE INCOME TAX (AMENDMENT) No3 BILL 1991

**The Honourable the Financial Secretary:**

Your Excellency, this second Bill to amend the Income Tax Ordinance was also remitted to Legislative Council at yesterday's meeting of Executive Council. The Bill proposed various amendments to the principal Ordinance to bring into effect further reforms following consideration of the taxation study. Amendments to the Bill were made by Executive Council and I intend that these should be explained at the committee stage. 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. Now we have got the first one out of the way. First of all, I would like to agree entirely with what the Attorney General said. I think that this was the result of a, not terribly good, tax study and I personally was not very happy with the way in which the tax study was handled. It was talked over by a very small sub-committee and it was then approved by Standing Finance Committee. In my opinion it should have been published for public discussion. I believe that other senior members of the Administration didn't have an opportunity to really comment on it. I know the Development Corporation didn't have a chance to comment on it until after the last meeting of Legco, and I think there are a number of things that are objectionable, to me anyway, in the Bill.

I think some of these are probably covered by the amendments which the Financial Secretary is going to propose, so perhaps I could just leave that for the time being. But there is one other aspect of it. I think the proposal in the Bill that in future tax rates and everything else could be altered by Resolution which would mean that they would not be published in the Gazette. I don't like that idea at all because I think we will have the same sort of thing happening as has happened with this Bill.

My first proposal would be that if the Financial Secretary sees no objection to it that this actually should be referred to yet I'm afraid another Select Committee for further discussion. If it doesn't cause any serious problems for the Tax Department, it seems to me that there are some things in this Bill that do still need to be sorted out and so in the first place Sir, I would like to propose that it be referred to a Select Committee of the House and see what the Financial Secretary's reaction is to that, otherwise I would like to make amendments.

**The Honourable T J Peck MBE CPM:**

I would like to second his proposal to go to a Select Committee as I am also concerned from the correspondence I have received from various businesses, today, expressing their concern about various sections of the Ordinance.

**The President:**

Thank you, can we just have the Financial Secretary's view at this point and then we will see what other Members feel.

**The Honourable the Financial Secretary:**

Your Excellency, it would cause some administrative difficulty if this wasn't enacted and also of course there is the provision there to the advantage of the people over the age of 60 which is a form of relief that is far more generous than the relief at present. Obviously, if this wasn't enacted now, assessments would have to be made at the current rates of allowance for them.



And so it would certainly cause difficulty and it would mean that only those amendments to the allowances and tax rates would be enacted. So it would be a disadvantage in respect of the elderly. The Attorney General has just reminded me also that another important point would be in that businesses would not have the benefit of the increased depreciation allowance that are proposed here.

Another section, of course, deals with the Tax Appeal Tribunal which would mean that tax payers would not have the course of appeal to the tax tribunal.

**The President:**

Thank you very much. Attorney General do you have anything to add on this?

**The Attorney General:**

I think, I don't mind just adding a little bit on what the Honourable Financial Secretary has said. The difficulty is this: As Honourable Members will know notices to tax payers to complete their form of return for this years assessment have not yet been sent out. If they are to have the benefit of the positive changes which are provided for in the No3 Bill, it is very difficult to delay the enactment of the Bill. Now that is because under the legislation people are bound to put in their returns by the 30 April and normally the tax returns go out to people to complete in January. Now the result might be therefore, unless one is going to do some fairly massive amendments to the Bill today and just save those things which are beneficial, and that is a matter for Honourable Members, and now there is no objection to doing that if that is their wish, that tax payers would not have the benefit of proposed beneficial changes for this year of assessment. That means simply that they will be liable to pay more tax than would otherwise be the case. That is the only difficulty. If Honourable Members want the Honourable Financial Secretary and I to identify those which are beneficial to the tax payer, if that is their wish, and to defer everything else, I am the servant of this House. We will do so and it will merely mean that we would be taking out huge chunks of the Bill and that will be put in yet a further Bill or be left till later this year for further consideration by Honourable Members. That is a matter entirely for them. I am prepared to assist the House in any way it wishes on this.

**The President:**

Thank you. Councillor Rowlands?

**The Honourable H T Rowlands CBE:**

Your Excellency, I have no objection to the Bill going to a Select Committee of the House but I cannot see any objection to having that Select Committee right now and I certainly have no

objection to the public remaining for this Select Committee.

**The President:**

Any other views?

**The Honourable R E Binnie:**

I support the House in this.

**The President:**

Any people disagree with that idea?

**The Attorney General:**

Your Excellency there is nothing to prevent the House immediately adjourning into a Select Committee of the Bill. I had anticipated, perhaps wrongly, that when Honourable Members were thinking of a Select Committee on it, they were adjourning the Bill to consideration by a Select Committee at a later date. I am sorry if I misunderstood Honourable Members.

**The President:**

So the wish is to have the Select Committee here and now and that Members of the Public can stay if they so wish. I think I will hand over to you Attorney General and the Financial Secretary.

**The Attorney General:**

I think Honourable Members may possibly wish to appoint the Financial Secretary as Chairman of the Select Committee and that the Select Committee will consist of all Members of the House. I take it that that will be the most convenient way of dealing with it.

**The President:**

Is that an acceptable solution? The Financial Secretary is appointed Chairman of the Select Committee and all the Members of the House are Members of it.

**The Honourable the Financial Secretary:**

The easiest way to do it is to deal with it section by section.

**The Honourable W R Luxton:**

Could I ask the note which we have just received today which has come from the Executive Council meeting. Could you perhaps go through that and explain it to all Members. As I am sitting here having just picked it up having just arrived here, and I am trying to relate it to the Ordinance. That would clarify some of the objections which I have anyway.

**The Honourable the Financial Secretary:**

Yes, I was going to go through that when dealing with the sections anyway, before we went into a Select Committee. The Executive Council did amend the Bill. Section 5 was deleted by Executive Council which means that there will be no annual value imposed in respect of a motor vehicle under the Annual Value Rules, that was a proposal of this Bill. The second amendment Executive Council made, was under paragraph 8 of the schedule to the Bill and under that section 12(a)2 should be deleted also. This means that where an item of expenditure occurred as an entertainment is allowed, it is not reduced to 40%. Of that they are allowed 100% of the entertainment expenditure provided the Commissioner is satisfied and that has always been the case anyway. A further amendment was that under paragraph 9 of the schedule to the Bill that section 16(a) would be repealed and replaced by the following new section on old age relief which reads;

"In ascertaining the income of any married man who proves that in any time during the year preceding the year of assessment he was of the age of 60 years or upwards and that his wife was living with him and was wholly maintained by him there shall be deducted an amount equal, whether or not he actually receives the same, to the annual value of the contributors rate of old age pension at the married man's rate payable as at the beginning of the year of assessment in question; and

(2) In ascertaining the income of any individual not being entitled to a deduction under subsection (1) above who proves that in any time within the year preceding the year of assessment he was of the age of 60 years or upwards, there shall be deducted an amount equal, whether he actually receives the same, to the annual value of the contributor's rate of old age pension at the single persons rate payable as at the beginning of the year of assessment in question."

And this means that the old age relief, the benefit that was to the extent only to those persons in receipt of an old age pension over the age of 64 has been extended to all tax payers who are 60 years or over. In addition to the other allowances that they are able to claim, they are able to claim an amount equivalent to the amount of contributory old age pension, which in effect, knocks out the old age pension from the tax net. But rather than just exempting the old age pension from income tax, that it could have been done like that. In certain cases there are people who are not in receipt of an old age pension so that would also provide them with a deduction. Those were the three amendments that Executive Council approved.

Were there any other item in particular that you wanted further clarification on Councillor Luxton?

**The Honourable W R Luxton:**

I have one further section that I would propose should be deleted, which is section 25. As I indicated earlier when we were talking about it, I don't think that the Ordinance, the effect of the Ordinance should be altered by Resolution. I think it should be altered by legislation, a Bill before the Council.

**The Attorney General:**

I do not think there is a problem about that as a matter to which is given further consideration in the context of the review of tax legislation as a whole. The object of that amendment was simply to enable the House and if all the things were got rid of, the rates would have come to the House, for open debate in the House. For that to be given effect to fairly quickly after the budget session and published so that people knew about it straight away what the rates would be the following year, rather than have it as so many times in the past, an amending Bill which just alters figures. Normally we come to Legislative Council in October or December and therefore no-one is absolutely certain until the amending Ordinance has passed whether the resolution, or, in fact which was made in Select Committee is going to be implemented much later in the financial year. There was no intention of shuffling something under the carpet but enabling the thing to be made official as soon as it had been announced in the Legislative Council. However, if it causes problems there is no problem in removing paragraph 25 of the schedule at this stage.

**The Honourable the Chief Executive:**

We could also provide, if you like in a white paper so that the public would immediately know what the proposals were and that would have the effect that the Attorney General wants and also provides you with your legislation.

**The Honourable the Financial Secretary:**

Can I have the views of the other Councillors on section 25. Would they like to see it form part of it or be deleted?

**The Honourable T J Peck MBE CPM:**

From correspondence I received from the Development Corporation who expressed some concern about this, and they asked does this provision mean that proposed amendments at the taxation levels will not be required to be published in the Gazette and therefore, may be introduced without the opportunity for comment by those affected.

**The Attorney General:**

Well that is a misunderstanding, with the greatest respect to the FIDC, of what the present situation is. There is no publication

to members of the public at the moment by the Select Committee of the proposals that are agreed at the budget session. There are no proposals and this is common in relation to tax legislation and one of the reasons for it is if you announce a change and we are getting into a more sophisticated society and it is a matter entirely for you. But if you announce a proposed change to the tax payers detriment months in advance and ask him to comment, he can so arrange his affairs and sophisticated accountants can do it so that he dodges the liability to tax he would otherwise have at the expense of the other tax payers. Now it is a matter entirely for you, but tax changes as you will know from the U.K. budget are never published for public consultation before they are made and are only announced when the Chancellor of the Exchequer opens his little red box and delivers his budget speech. I might say under United Kingdom legislation, under the provisional Taxation Act, immediately the Resolution of Parliament is passed on the budget Resolution those changes take effect from the moment, practically, that the Chancellor is finished speaking.

So what the FIDC comment is, is look, we ought to have the public comment on tax rates. It is a matter entirely for you; it is not the practice of other legislatures for the reasons I have expressed.

**The Honourable W R Luxton:**

With respect, Mr Attorney General, the duties and other alterations that are made during the budget session are made effective immediately and duties on spirits and that sort of thing. So there is that proviso, but tax rates in the Falklands anyway for many years have always been made effective first of January for the previous year of assessment and that was the problem with this Bill when it came into the last meeting of Legislative Council, was that it was Gazetted and presented to Councillors, I think, on the day of the meeting which is why we asked for it to be delayed till this meeting and the type of thing that could be altered under Section 25 is not to my mind appropriate for altering overnight by Resolution as you would with duties on spirits and tobaccos and so on.

**The Attorney General:**

Well it wouldn't be altered overnight as you see from the provision of the clause and I say that I am quite happy for the clause to be gone. It couldn't come into effect until the beginning of the next tax year so if you pass the Resolution in May and the regulation was then made unless you otherwise said it couldn't come into effect until the beginning of the next tax year. The only rate changes you would have, things that that would effect in any event, (I don't want to waste the time of the House on this), would be the sort of changes which are shown in the No2 Bill which the House has passed today and you will see that what one is talking about its figures. Now most of those changes in fact, and the tax review committee has changed the

rates or recommended the rates, but the amounts of allowances that you have got there which were changed, and I think I am right in saying, Financial Secretary, that these were agreed by the Select Committee in May last year. And it has taken until January to get them before the House and it will be February today before they will be enacted. It was that difficulty that the clause was intended to address, but as I say, if its objectionable then there is no problem in removing it. It will mean that there is the sort of difficulties which I have addressed which won't be cured.

**The Honourable the Financial Secretary:**

How do Honourable Members feel on that particular section?

**The Honourable R E Binnie:**

I am still not sure what Councillor Luxton is complaining about because it says that the Ordinance can be given back by regulations provided the Council had been agreed by resolution at Legislative Council.

**The Attorney General:**

That is right, not without the approval of Members by Resolution in this House.

The House could of course say "let's have the draft resolution, let's publish it and let's consider it again and publish the draft resolution," which you can certainly do, and say "let's have the public comments on the draft resolution before we pass it." You could publish the draft resolution in May, receive the comments of the public and then say "all right, there hasn't been any objection, we will now pass the resolution. It is very much easier to pass a resolution, believe me, as this House will very well know, than to go through particularly little bits of legislation.

**The Honourable W R Luxton:**

Exactly, that is my point. That the resolution could be passed very quickly by the House without any public comment. At the moment the things must be gazetted. We are already having problems with them being gazetted as we did with this original Bill, gazetted just before the meeting and then Councillors are expected to digest it and comment on it and we finish up passing legislation, something which we haven't adequately studied.

**The Attorney General:**

Well the problems about gazetting the Bill just before the meeting in January was because Councillors had asked me, at the December meeting of Executive Council, the meeting already having been fixed for 8 January, and I think I should fairly mention this the Legco meeting was already going to take place on 8

January, to incorporate as many as possible of the amendments, most of which are beneficial to the public, in the legislation before this House. Now because of the Christmas break and because we were talking about well into the third week of December, I in fact had to spend a great deal of time over the Christmas break preparing the draft legislation so it could be considered for the benefit of the tax payer at Legislative Council on the 8 of January. I am sorry it couldn't be gazetted earlier but physically it was impossible if I was to fulfil the instructions I had received from Honourable Members and that was the reason for it and the only reason for it.

**The Honourable the Financial Secretary:**

Does any other Councillor have a view on that particular section, as to whether it should remain or be deleted.

**The Honourable H T Rowlands CBE:**

I think it has been a custom here to publish the changes in the tax rates before they have actually been notified in the budget speech and I can't see any objection to that practise continuing. I think it does give the public some chance of making their representations to us and I think that we are strong enough to say no if we don't agree with one of those representations. I do think that the public should have that chance and it has worked for a number of years so I really have no strong views for the new section, but I think the resolution should be published in time. It is probably tidier or easier this way, this is a point I know that Councillor Luxton is objecting to. We are the helm of the ship, and therefore, it would be up to us. They are some views of mine but I do think generally I think I would go along with the view that it should be published so members of the public can have an opportunity to put their views forward to us.

**The Honourable the Financial Secretary:**

Has any other Councillor got a view on that, on whether or not that section should remain part of the Bill?

**The Honourable K S Kilmartin:**

I think I agree with Councillor Rowlands that publishing is something that is traditional in the Falklands and should continue.

**The Honourable W R Luxton:**

Under the old system it had to be published, it was a requirement of the law that it was published.

**The Attorney General:**

With the greatest respect to Honourable Members what happened in the past was that, and for a number of years, the Bills were not

published in the Gazette because nearly every Bill was presented to this House under a Certificate of Urgency, now that was the situation when I came, and the public could simply could not have had an opportunity to comment on Bills for about 3 years because they were never published in the Gazette before they were considered by this Honourable Council. That position no longer applies.

**The Honourable H T Rowlands CBE:**

That was only done because of the problems we had, I think immediately after the war.

**The Attorney General:**

Yes, but it was an unfortunate situation and as I say I am sorry we have got into a long discussion on paragraph 25 of the schedule to the Bill and as I indicated I am quite happy for it to come out if it causes difficulties. I indicated that at the beginning; I was merely explaining the background to it being there.

**The Honourable the Financial Secretary:**

Are the majority of Members in favour of it being removed at this stage, section 25 of the Bill?

Honourable Members agreed that paragraph 25 be deleted.

**The Honourable the Financial Secretary:**

And also if I could just go back to those other amendments that Executive Council made. That is paragraph 5 of the schedule where the section is deleted as regards to the annual value of motor vehicles. Do Honourable Members agree to that being deleted or would they like to have that inserted.

**The Honourable R E Binnie:**

Executive Council Members have already agreed to that being deleted.

**The Honourable the Financial Secretary:**

Other members other than Executive Councillors, do they agree to that?

All Councillors agreed.

**The Honourable the Financial Secretary:**

And also on the paragraph 8, section 12 (2) with regard to the entertainment and, disallowing 40% of entertainment. All Executive Councillors agreed that that should be deleted.



**The Honourable G P Short:**

What accounts do you have at the moment to allow part of it or do you have to disallow the whole lot if you are not happy?

**The Honourable the Financial Secretary:**

Before the Commissioner allows any item of expenditure he has to be satisfied that it is wholly and exclusively incurred in the production of the income.

**The Honourable G P Short:**

Can you allow part there of, so you only get a percentage of it.

**The Honourable the Financial Secretary:**

Yes that is right. So it would appear all Councillors are in agreement with that?

All Councillors agreed.

**The Honourable the Financial Secretary:**

And also the amendments to paragraph 9 with regards to the enhanced old age relief. Are Councillors in agreement with that?

All Councillors agreed.

**The Honourable the Financial Secretary:**

Are there any other sections that Councillors have anything to comment on.

**The Attorney General:**

Could I draw attention, Derek, to those minor changes in the note which Councillors have, which are typing errors in the Bill, and those can perhaps be incorporated at this stage, Councillors have a note of them, they are in, when I get out my copy, paragraph 4 of the first line of the proposed new section 3(d)(i) in which the word "appeal." should be replaced by the words "of a"; and then in paragraph 8, that is relating to section 12(b) which we have just been looking at and section 12(a) there is an unfortunate spelling mistake in the word "expences" in the marginal note it should be "ses" at the end of the word instead of "ces" and just for the sake of the order I would like to see that corrected rather than repeated in the final version.

**The Honourable the Financial Secretary:**

And also in paragraph 8, line 6, 12(b)1 it should read "where the Commissioner is satisfied that any expenditure has reasonably been" the "training expenses" to be deleted from that line.

**The Attorney General:**

Paragraph 8 first schedule, the new section 12(b) the words "training expenses" in fact has been it is an equipment thing which has been dragged the words training expenses from the marginal note into the text of the Bill, it shouldn't have happened and please would you delete it.

**The Honourable the Financial Secretary:**

Are all Councillors now satisfied that the Bill should go through and be enacted as amended?

**The Honourable T J Peck MBE CPM:**

Can I ask you a question on the paragraph 7. Can an entitlement to claim depreciation allowance be carried forward if not claimed in the prescribed period?

**The Attorney General:**

That deals with section 11 which provides for the allowance of deduction of depreciation allowances. There is no specific provision, it certainly can't carry it back, whether there is no provision in the legislation I believe in practise if somebody hasn't claimed it in one year the Commissioner may be allowing them to claim it in the following year if they haven't claimed it in the first year they can take it. I answer in this sort of round about way because this is one of the things which will require attention in the Income Tax Ordinance. The Councillors have agreed of course to consideration, approved in principle carry forward of losses, carry back of losses to be considered and averaging of profits to be considered in certain circumstances. These are complicated matters which will need to be dealt with in the major Bill which will replace the whole of the Income Tax Ordinance. There will be unsatisfactory positions arising under the Ordinance until we review the whole thing, but it is not something which can be provided for by easy amendment, or short amendment today. In fact the replacement legislation is probably likely to be some what longer than the existing Income Tax Ordinance, I'm afraid.

This will be a matter for the Consultants to see how quickly they can deal with it and how shortly.

**The Honourable G M Robson:**

Paragraph 18, section 12, should there not perhaps be a reciprocal agreement there, whereby if there is a rebate paid, I think in the original it says 2 years, but I think that is 2 years to pay it in, should there not be another interest, reciprocal interest agreement in there as well?

**The Honourable K S Kilmartin:**

Can I just ask the Attorney General does the U.K. have a system whereby interest is paid on money owed by the Government?

**The Attorney General:**

As far as I am aware, no. If you get a tax repayment claim they don't pay you interest, as far as I am aware, I will check this. Perhaps again this is a matter which could be considered in relation to the reform of Income Tax Legislation as a whole. I know nothing in U.K., there is no reason in principle why you couldn't provide for it but there may be some difficulties in relation to it because of that, I ask that perhaps Councillors agree to that being given consideration in the context of reform for the Income Tax Legislation as a whole. As I said earlier it is likely to take place later this year.

**The Honourable the Chief Executive:**

I think Chairman that the U.K. is actually quite generous in this respect if they acknowledge that it is their error that you have been overcharged in some way then they do indeed pay you interest and if perhaps through your employers error you have not paid sufficient, they do not charge interest if it is a genuine error. The only time they require the customer to pay interest is when it has been a deliberate default or in some way appears to be that persons responsibility.

**The Honourable the Financial Secretary:**

So it is accepted that that should be looked at in the replacement legislation. Does any other Member have any further points, clarifications?

**The Honourable W R Luxton:**

There has been representations about the treatment of a house, used housing, manner of the business, everybody is familiar with the situation on farms. I must admit I feel that in business owners in Stanley have a point and that they are being unfairly discriminated against. I am not sure what the current situation is and whether this is an alteration in the current law.

**The Honourable the Financial Secretary:**

The situation is at present that it is not allowed as an expense.

**The Honourable W R Luxton;**

It is not allowed in Stanley at the moment and would continue to be not allowed under the new? I think that is something that we should look at certainly in the context of the new legislation.

**The Honourable the Financial Secretary:**

Yes that is right, I think the thing is that the difference with farms is that people have to live on the farms to work, but in most cases they don't have to live in their houses in Stanley to operate their businesses.

**The Honourable H T Rowlands CBE:**

I think also, it is some encouragement for people to remain out in the Camp, as well, I think there is an element of that in it.

**At that stage Councillors were content with the proposed amendments and the Select Committee was concluded. Council was resumed.**

**The Honourable the Financial Secretary:**

I beg to move that the Bill be read a third time and do pass.

**The Honourable W R Luxton:**

The amendments haven't been proposed.

**The Attorney General:**

I think Sir, the Honourable Councillor is absolutely right, that the proposal, if we can back track that we should have a proposal for the Bill as amended by the Select Committee be read a third time and do pass. I think that will satisfy you, am I right, Honourable Member.

**The Honourable the Financial Secretary:**

I beg to move that the Bill as amended by the Select Committee be read a third time and do pass.

**The Bill as amended by the Select Committee was read a third time and passed**

**The Honourable the Financial Secretary:**

Your Excellency, as the consequence of the introduction of the Income Tax (Amendment) No2 & No3 Bills, the motion is that the Income Tax (Amendment) Bill 1991 be deferred for discussion at Legislative Council on 8 January 1991 be withdrawn.

**Councillor Peck seconded the motion so it was agreed that the Income Tax (Amendment) Bill 1991 be withdrawn**

**The Attorney General:**

We have to ask the House to consider the subsidiary legislation. Of course it can't be made until the Bills passed by the House today were enacted, but the Honourable Members agreed in Standing

Finance Committee, that in principle provisions should be made for an apportionment of allowances and I think Honourable Members have a copy of draft subsidiary legislation on this subject. They also have a copy of draft subsidiary legislation on annual values. Now that Honourable Members have agreed that there should be no taxation of the private use for the motor car. The principal effect of the Income Tax Annual Values Rules is simply to amend upwards the amounts of the taxable amounts, the annual values and in fact to abolish these annual values in relation to agricultural and horticultural businesses, I think that is right isn't it Financial Secretary? And the apportionments of the apportionment rules are ones which will in fact in many circumstances benefit tax payers where an event happens during a year in the calendar year, or the year of assessment, where they would otherwise have to be treated more dis-advantageously. Honourable Members have copies of the drafts and it merely requires approval of the making of the drafts by resolution; then they will be made. If Honourable Members then at the end of the day when they are published don't like them they can of course at the next meeting of the Legislative Council propose when they are laid on the table that they be rescinded and we would have to replace them by new regulations. So they would have a second bite of the cherry, but it isn't desired to have these important pieces of legislation pass without comment and not be seen by Legislative Council as a whole before being made, because they will affect peoples liability to tax during this present tax year.

**The President:**

So is that something the House is taking note of or do you want it proposed.

**The Attorney General:**

I am merely explaining Your Excellency what the Financial Secretary will be moving.

**The Honourable the Financial Secretary:**

I beg to move that the draft Income Tax Apportionment of Deduction Rules 1991 and the Income Tax Annual Values Rules 1991 be adopted by this Council. I can elaborate on those, on what the Attorney General has said. With regard to the Apportionment of Deductions and at the present time irrespective of how long the tax payer resides or the period of which he has been married he is entitled to claim a full deduction and the apportionment of deductions will apportion the amount of the deduction in relation to the persons residence or the period of his marriage in any year of assessment. Those are the examples that are given and incorporated in the rules I explained.

Of the Income Tax Annual Values Rules these would if approved, mean in effect the last years income, 1990 income, would be effected from the 1 January 1991 and the rules do come out in

favour of the agricultural sector because there are no longer any annual values imposed on the houses in the Camp. So no employee in the Camp will be subject to tax in respect of that benefit in kind. But the other annual values are increased by a small amount to bring them up to a resisting level. That is in respect of accommodation that is provided by an employer to an employee in Stanley and including free fuel and free light etc. Section 5, in dealing with motor vehicles, has now been deleted because the enabling legislation has been deleted. I would move that these draft rules be adopted by the Legislative Council.

**The President:**

Thank you, does anyone second that one?

**The Honourable Mrs Norma Edwards:**

Yes I do, can I just comment? Can we have it in a little more plain English when it comes out eventually. The example being for instance, this is an apportionment for a married man, example being; the man marries on the 1 June in a calendar year having 366 days (a leap year) his wife lives with him in the Falkland Islands or is wholly maintained by him for the remainder of that calendar year, the man should be allowed two hundred and thirty three hundred sixty sixths of the deduction under section 15 (1) of the Ordinance for deduction for wife and the same fraction of the deduction for his wife's earnings if any, provided for by section 14(1) of the Ordinance. Now to me that is a jolly good bit of gobbledegook.

**The Attorney General:**

I'm afraid that is a jolly good bit of legislative drafting, it does explain what it means. What you do is apportion it on a daily basis, the year, the leap year has 366 days you say so many three hundred and sixty sixths.

**The Honourable Mrs Norma Edwards:**

So why do you say so many days of the year? You know an apportion of the year, not two and thirteen, three hundred and sixty sixths. Why not 213 days?

**The Attorney General:**

Because otherwise you have to say in ratio to, once you start doing it you will, and I tried to do it that way, I tied myself up in knots to avoid any loop hole. The only way of doing it was by expressing it as a formula. I'm sorry, but that was the case. I tied myself up in knots when I tried to do what you did and there were loopholes in it, so I am afraid I got down to doing it, expressing it as a fraction in words.

**The Honourable Mrs Norma Edwards:**

I hope I can understand it.

**The Attorney General:**

Apportion it on a daily basis, how many days of the year are there to run, in your case, how many have expired depending on what it is and then is the year a leap year or not, depending on that apportion is going to be. That is really what it is in plain English.

**The Honourable Mrs Norma Edwards:**

Yes, thank you Attorney General I was just being pedantic.

**The Attorney General:**

That is normally me, it is my privilege normally.

**The President:**

Councillor Mrs Edwards is seconding that; does everyone agree with that proposal?

All Councillors agreed that the draft Income Tax (Apportionment of Deduction) Rules 1991 and the draft Income Tax (Annual Values) Rules 1991 be adopted by the House

**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?

**The Honourable R E Binnie:**

**Camp Telephone System**

Your Excellency, Honourable Members, in rising to support the motion for adjournment I would like to make a few comments on one subject. Honourable Members of this Council have agreed in the past not to bore the public with continuous repeats, however, I am sure the topic that I shall be talking about will be mentioned several times, and I am quite sure the public won't mind. The Camp telephone system; the VHF system has not yet been accepted, for the time taken before it succeeds and acceptable limit, surely the contract should have had penalty clauses. Is there no-one who can be taken to task over this totally unacceptable

delay? Now let me turn to the Micro wave system, accepted and passed by our expert advisor; against very strong advice from Elected Members of this Council. This system has gone from reasonable to almost disastrous. We are being told it is because of the Mount Kent radar. Maybe that is right for some of the faults which we have been experiencing in the system since before it was accepted, but the interference and noise affecting the system now only started last August, September. At the start the interference lasted a few minutes, now it goes on for hours and can, does occur several times a day. During this interference no-one can ring in or out; it is causing delays in contacting the Medical Department; it causes urgent spares to miss the aircraft; it is causing considerable disruption in the farming businesses; it is causing dis-contentment among the farming communities; it is totally unacceptable. I have no other option other than to ask you Sir, to direct the Administration to investigate who is responsible for the purchase and installation of this system and whether or not court action should be taken. Thank you Sir.

**The Honourable T J Peck MBE CPM:**

Estancia/Port Louis Track

Your Excellency, Honourable Members, I think it is great when one can stand up here and praise the long abused Public Works Department and that is just what I am doing in connection with the Estancia/Port Louis road works. The Superintendent, the Foreman, plant and vehicles operators, I on behalf of the Councillors, I am sure they agree with me on this, offer our congratulations to them for the excellent progress and standard of work performed by them all during the present season.

Local Construction Companies

In the private sector, our local construction companies have undertaken probably some of the most major building works to date. The new senior school is on target and one can see the daily progress being made. Gordon Forbes and Bill Beatty and all others on site must certainly feel a great pride in their performance. This community certainly does. Island Construction, Stanley Decorating Services, Falkland Construction are just some who are involved in major development works. There has been slippages in time, but I have been assured that the many projects will be completed within the scheduled time. I know and I know other Councillors share my view that we should give our local companies our full support.

John and Moira Buckland James

On a sadder note I would like to refer to the departure tomorrow of John and Moira Buckland James. Moira has given a great many of our elderly citizens her kindness and generosity and most important of all brought happiness into their lives. Moira along with others has given great service in providing the transport and assistance for the elderly to do their shopping. Along with



John, her husband, was instrumental in having a home help and a meals on wheels service for the elderly. John has given his entire two years to our Islands as Financial Secretary. He has always offered and provided us with his expert and professional knowledge and advice. The majority of Council had supported John in a further contract but this was refused. This refusal has led to a situation whereby myself and others have made our views and concern known to the Foreign Office. We view with the deepest concern the way John has been treated. On behalf of myself and others from our community, John and Moira, please have our best wishes when you leave our Islands tomorrow.

#### Falkland Islands Defence Force

The FIDF have been concentrating on a recruitment drive it has been reasonably successful I am pleased to say, however, we need more mature and able bodied males. It is a challenge to all young people to serve, whether to be a professional soldier, or in the territorials. Of course you must be fit, it can and does hurt sometimes. At the end of it I can assure you it will make you feel ten feet tall. Council supports the FIDF one hundred percent. We are preparing a programme to build a new HQ and provide the new equipment, weaponry and so on to upgrade what has been a long and neglected important part of our community. Professional training is given within the force and by the Resident Infantry Company. It is most important that Islanders take a pride and engage along with the professional British Forces, a defence of their own country. I appeal to all the able young to come forward and enrol in the FIDF today. We all owe our freedom to the British Forces in 1982 we can do something positive along the same lines by standing side by side and given the necessary backup to our British Military in these Islands.

#### The Minister Mr Tristan Garel-Jones

On a further note a public meeting is to be held to meet the Minister Tristan Garel-Jones. I know people in these Islands don't like public meetings, they don't like attending, they don't like saying much, but Ministers visits, wherever, especially to the Falkland Islands are very very important and it would be disastrous if only a handful of people turned up because what would the British Government think. I appeal to you one and all to come to this meeting and to express their views and the concerns that they have to the Minister at this meeting which will be held, now I have forgotten the exact date, but over the next few days. Your Excellency, Honourable Members I support the motion, thank you.

#### **The Honourable H T Rowlands CBE:**

#### John and Moira Buckland James

Your Excellency, and Honourable Members, I would just like to support my colleague, Mr Peck, on what he has said about the Buckland James. I think he has mentioned and given the right

recognition; I support him all the way. I also support his view on the Defence Force I don't wish to repeat as we have probably done in the past. I do believe that the Defence Force does deserve a greater detailed look at and also with the campaign that they are having now in trying to enrol recruits for the Force. Certainly it has my full support and when we come to our budget session this year I will certainly be looking at their estimates in detail.

#### The Minister Mr Tristan Garel-Jones

The point about the Ministers visit I also express my view that the Minister's visit should be attended and that the people should also ask him some of the questions that they keep on asking me about the FOCZ and the minerals legislation and such like. I certainly questioned him in Whitehall recently, but I assured him that it would not stop there; that the Minister would be getting a barrage of questions and I do hope as many people who have the interests of the Islands at heart, do come along and question him on some of these very important issues.

#### The Financial Secretary

I would like to just end by joining your warm welcome to Mr Derek Howatt, our new Financial Secretary and I hope that he will have a successful and long period in office, thank you.

#### **The Honourable Mrs Norma Edwards:**

Your Excellency, Honourable Members, in rising to support the motion for adjournment may I too add my best wishes to Derek and to the Buckland James' and wish them well for the future and I reiterate what my friends have said. Thank you very much for all they have done for the community.

#### Camp Telephone System

I am sorry to hear Mr Binnie's Micro-wave system is packing up. I have got used to my VHF system, I shouldn't say that really, but I hope that if the Micro wave system is now starting to play up you won't forget that the VHF system has been playing up for longer and perhaps we can be first in line for making the whole thing work.

#### Sale of FIC Farms

The main subject of the day of course is the FIC, I feel we should mention that. I have to say after all the assurances we had from Anglo United when they arrived in this place, I am appalled in the way they have suddenly, out of the blue, decided to sell their land, without any thought or heed to the people working for them, some of them all their lives and I have been rung up by many, many people over the last few days; some saying for God sake don't touch the FIC; don't let Government buy the FIC; others saying for goodness sake Government must buy it and

look after the land and look after the people, it is an extremely difficult situation and my big worry is, I feel this is nothing more than an asset stripping, and my instinct is to say Government should not morally have anything to do with the Company that behaves in that manner. However, we have got a responsibility to the people of these Islands and to our Islands, and this is a vast piece of land that they are just going to get rid of.

My big worry is how far will they go from now on. What happens if they start the same practice in Stanley and so I agree that Government should be involved in this FIC sale; they should watch it carefully. But I was most annoyed to say the least. I learnt that the FIC were going to sell their land at 4 o'clock on a Friday evening I listened to the newsletter only to hear that Government were negotiating the sale with FIC and Mr Mosey led us to believe that this must all be settled in 3 months. Now as you know Sir, I rang you and was assured that this wasn't so and that we were investigating the whole situation and not negotiating. If we do negotiate, may I reiterate what I said earlier in this meeting that I do not think any of Governments assets should be included in a sale if we have one with the FIC. And to be honest FIC really should be offering to us a couple of million as one of my colleagues said yesterday to take the land off their hands. So having said that I will leave the FIC for now, no doubt we will hear more about it.

#### Falkland Islands Development Corporation

FIDC, I am most concerned. I have said in this House in the past when I was on Council before there is not enough Council control over the Development Corporation; they have their own remit; by the time I hear of what FIDC is doing or any other Councillor for that matter other than the ones who sit on FIDC board it is fait accompli and we learn now that FIDC have gone into business and formed, or they are in business with a company, which is being formed called Paragon. Now I have no objection at all I am delighted that local businessmen have set up a company called Paragon; I do object to public money, 20% ownership of that company by FIDC. I would have thought that they have learned by now that joint ventures and any kind of joint venture is not the way they should be going forward, they should after the disaster of Stanley Fisheries, be helping companies set up by all means but not getting involved financially and it was interesting to hear Mr Summers being interviewed on Patrick's newsletter and I quote he says that "there are two specific reasons for the Corporation being involved as a shareholder, one is that in trading relations with other countries they often like to see some kind of institutional involvement or steady influence behind it, our trading partners might see that in the Corporation; the other is that there is a change of attitude in the Corporation about the sort of share-holding it should have and in discussions with Councillors not long ago, they gave me the very distinct impression that they would be happy to see the Corporation involved in projects of this kind."

Now I cannot ever remember giving Mr Summers, maybe my colleagues did, but I can't remember giving Mr Summers an indication that that is the way forward we would like to see him go. I think it has been said in the past that we would have liked to have seen the projects that FIDC have been involved in be more successful from the monetary point of view but we haven't given him a remit and indeed we can't anyway as we don't have any control of FIDC. So I feel very strongly; that again I will say I think there should be more Government involvement in FIDC, at the moment it is a separate Government which sits on the hill and does what it wants to itself.

#### Public Works Department

I would like also to congratulate PWD for all their good works of late, not just the road works but they are doing a particularly good job on B slip, Ross Road East, and that was an eyesore for quite a while and it is looking very smart.

#### FOCZ

People have mentioned the FOCZ and the hole in the FOCZ etc., and I too would like to reiterate what the Honourable Harold Rowlands said and ask people to please to put their views forward when the Minister comes; don't be shy about it; he is quite an approachable gentleman; he is a very wordy gentleman and you might have a job to get a word in edgeways, but you do get there in the end.

#### Coastal Shipping

I am pleased, I was delighted to hear that the Chief Executive's answer about Coastal Shipping and it is nice to know that that issue is now settled and we won't have the worry or the bother of not knowing whether the ships are going to be able to deliver our goods to the settlements or not. So I would again thank everyone involved with those negotiations and I am sure I speak on behalf of all my constituents in the Camp when I say we are very pleased with the outcome. I support the motion Sir.

#### **The Honourable W R Luxton:**

##### Camp Telephone System

Your Excellency, Honourable Members, the Chief Executive thanked me for my mild question on the subject of the telephones, by comparison to Councillor Binnie who was somewhat less than mild, but I say I agree with him entirely and would add my request to his that you should investigate as he asked. It really is quite appalling and going down hill fast.

##### Sale of FIC Farms

On the other subject of the FIC; I too was appalled at this. Cold blooded asset stripping is what it boils down to; We are in

the hands of someone who has no compunctions, I think. I expect from reading the newspapers around about the same time that somebody woke up one morning and decided they needed four hundred thousand quid to fund the St Ledger, I think it is they are supporting, and they couldn't fund that and the loss of the FIC, so the FIC went, or was going to go. It is a very sad situation I think and I also feel that this Government shouldn't be bullied or frightened or bulldozed into hasty action and paying too much money for an asset which isn't worth an awful lot at the moment. With the current pile and state of the wool industry world wide. The situation in Australia is fairly desperate, I believe they are planning to shoot anything up to 20 million sheep and returns to sheep farmers all over the world are going to be very very poor for the next year anyway, I think.

#### Public Works Department

I too would like to add my congratulations to the Public Works Department on the magnificent effort with the Port Louis road and I think there will be quite a celebration when that is finished and presumably they will pull back and hopefully tackle the next stage onwards to Teal Inlet in good heart, because they are going to have quite a major operation some very difficult country to go over, but they really are to be congratulated.

#### FOCZ

And I also have a question about the hole in the FOCZ. Your Excellency, you said you didn't think it was monumental. A monument that is 100 miles long and up to 10 miles wide with hundreds of fishermen hovering the squid out of it is not a small construction by any means I don't think and I hope that the Minister will be able to assure us that that situation will be rectified, because otherwise I think it will be a total disaster. It is a refuge for illegal fishing; it won't only be the hole that is fished out, it will be the surrounding areas as well and I am sure of that and they will be able to take refuge on the high seas right in the middle of our fishing ground.

#### Financial Secretary

Finally I would also very much like to welcome Derek Howatt to this table, the hot seat, as our new Financial Secretary and wish him well for the future. Sir, I support the motion.

**The Honourable K S Kilmartin:**

#### Financial Secretary

Your Excellency, I too welcome the new Financial Secretary and I also wish to thank the departing Financial Secretary for all the work he has done on our behalf and I wish him and his wife well for the future.

### Camp Telephone System

On the subject of the telephones, I think I should remind you that the Micro-wave system is collapsing in the same way as the VHF set originally did was accepted by the Administration against the wishes of this Council.

### Falklands Economy

The recession in the farming industry has meant that our economy is now virtually based upon the fishing and we hoped that in the future it might also be based on minerals. The hole in the FOCZ has been the first of, perhaps, several shocks that might come in the next year or so when the full terms of the new agreement with Argentina have become public. At the moment I hope that the proclamation that will declare the extended continental shelf will occur speedily and will not have the same problems that we now have with the FOCZ. Thank you.

**The Honourable G M Robson:**

### Income Tax Bill

Your Excellency, Honourable Members, the Income Tax Bill has been debated at length already today so I won't dwell on it, but if I might add that I believe that it should be seen as a beginning and not an end to the matter. The Bills passed today have gone a long way to improving the lot of individual tax payers and many businesses in the Islands. This will no doubt contribute to the economy.

### Falklands Economy

But I feel that there is a need to look at the wider economic situation in the Falklands and bearing in mind that the budget session is only two months away a hard look at overall economy is needed within the next year with a view to encouraging outside and even more local investment in the Islands. Of course linked to our future economic position is the minerals and the continental shelf legislation and whilst I understand that minerals legislation is complicated and lengthy and needs to be carefully checked therefore taking up a lot of time, the continental shelf part however, I believe implicated at very short notice and I wonder why the two unnecessarily need to be tied so closely together. While I am in London over the next few weeks I will certainly ask some questions about this and other matters at the Foreign Office. Although I am sure a lot of these matters will be raised with Mr Garel-Jones very shortly.

### FOCZ

As is usual at this time of the year, fisheries comes to the fore and although the hole in the FOCZ is now apparent, I would hope it would be plugged one way or another sooner rather than later thus we find that the advantages afforded to us in conservation

terms by the FOCZ be nullified.

### Education

In conclusion I believe that education both within the Islands and through our links with Peter Symonds' is going from strength to strength. The success we are currently enjoying with vocational training is also noteworthy and I believe that this is all money well invested for the future. It was particularly pleasing to see Mr and Mrs Stewart Nicholls from Peter Symonds' in the Falklands recently and I am sure any insight they have gained into our particular situation will be of great benefit both to the college and to our students over there, and it would be hoped that further and more wide ranging links can be promoted in the future. Sir, I support the motion.

**The Honourable G P Short:**

### Financial Secretary

Your Excellency, Honourable Members in rising to support the motion for adjournment I would like to make a few points. First of all I would like to join with the majority of my colleagues in wishing John and Moira Buckland James every success for the future and stating our appreciation for what he has done. Also I wish to welcome aboard Derek, who I am sure is the man for the job. I have no worries whatsoever.

### Civil Service

Another point I would like to touch on is the way the civil service salaries review has been handled. To my way of thinking it is nothing short of awful. The way this report has been handled. As I understand it it was presented to us more or less rubber stamped without CSA I believe having ever seen it, which to my way of thinking as a Union is a very odd way to do business. I believe a request has come back that their membership be allowed to look at it and I certainly hope that this will be the case.

### Sale of FIC Farms

The sale of FIC caught us all by surprise and I don't intend to speak for too long on this but I would like to stress that any remarks made by myself are not aimed at the local management of the FIC, but those in the U.K. who put more value on a sheep than they do the welfare of their employees. I have not seen the prospectus but it is strongly rumoured that they wish to do a deal with FIG whereby they want to take certain land and buildings etc. as part of the final deal. This I do not and will not agree to; if we do buy FIC farms then it is my wish that we should do so fair and square and not trade anything in return. We have seen how ruthless and un-caring Anglo is and I do not want them to get any larger or influential in Stanley indeed the reverse is true. Perhaps we should be working on ridding

ourselves once and for all of Anglo from the Islands and get the FIC operations in local ownership.

But to those in Camp who are worried about the future I can assure them that if Government do buy FIC then I will lobby for their rights and welfare as hard as I can. At the end of the day in my opinion it is the people and not the land that has to matter the most.

#### Chief Development Economist

If I may speak for a second, Sir, about the Chief Development Economist. This in my view is an important post and would be most useful to the Islands if the present incumbent were allowed the freedom and tools to usefully pursue his terms of contract. Instead, at the moment it seems to me that every obstacle that can be put in his way is. The responsibility for this does I'm afraid lie to some extent with us as well as our Administration in as much that we have talked around the fundamental issues involved for too long rather than going for the problems' jugular. I hope we will sort this issue out before it is too late and perhaps retain one of our experts who is capable of doing a first rate job.

#### Government Employees

Another point which I would like to raise, which unusually for me is not overshadowed with doom and gloom, is to publicly acknowledge the good work and dedication of two of the Governments employees who are often overlooked they are not at the G5 end of the scale but at the low end of the hourly paid. And these Sir, are our grass cutter Mr Spinks who has achieved a lot and has made our town look much much neater. The other being Mr Fredrick Biggs who can be seen out in all sorts of weather trying to keep the roads tidy a heart breaking task for as quick as he can clean them the sand etc. from the contractor stocks blows around town and creates a mess once again. So to these two gentlemen who do these thankless task I would publicly like to show my appreciation for the records.

#### Government

Finally Your Excellency, Honourable Members I would like to end on a subject which is close to my heart and that is football. Just recently a person likened our Government to a first division football team; we have our own home grown talent that are at last making it into the first team, but like any football club we have to buy in some of our players. So we send our talent spotters out to recommend which key players we should buy for our first team. What the person whom I was speaking with wondered was are we buying in second or third division players and putting them into and paying them first division wages. I am afraid Sir that I could not truthfully say that we were not doing this so now I believe that it is up to our team coach and manager to assess the skill levels and if not up to first division standards we should



perhaps on-sell some of our players. A point to ponder on. Sir, I wish to support the motion.

**The Honourable the Financial Secretary:**

Your Excellency, Honourable Members, I would just like to thank yourself and Honourable Members for my welcome to this Council and thanks also to the Attorney General for his assistance in explaining some of the more complex Income Tax legislation amendments today.

Income Tax Legislation

The financial result of the tax reforms will amount to a loss in revenue from taxation of approximately seven hundred thousand pounds per year. The general tax review, which following the taxation study, has highlighted the requirement for a new Income Tax Ordinance. Producing a new Ordinance will require special assistance and will be time consuming. The Income Tax Amendment Bills considered today are the first of the interim measures which will be taken to revise and improve our tax legislation. I will ensure that the provision is inserted in the 1991/92 draft estimates for the cost of the specialist assistance.

Fisheries

It is true that the Falkland Islands are almost totally reliant of the fisheries revenue and I assure members that I will continue to explore alternative ways of raising revenue. I support the motion for adjournment Sir.

**The Honourable the Chief Executive:**

Camp Telephone System

I would like to touch on a number of matters that Honourable Members have raised. First of all the Camp telephone system. This is a matter that we in Government have taken very seriously and if dirt or pressure, weight of correspondence had anything to do with it the matter would have been resolved. There are certain mis-understandings that I suppose we will never get right. First of all the Administration did not accept any part of the system. The contract required us to appoint a consultant and the consultant accepts the system. If you are unhappy with what the consultant has done, you sue the consultant; that is why we pay him such significant figures. Now I said this to this House at least 6 months ago and I say it again. Now I will consult with my colleague the Attorney General and see if there is any recourse through the law that we can follow if it appears appropriate to hurry this matter up. But you have my assurance that, I believe that Cable & Wireless are doing what they can to cope with what appears to have been an over engineered system with components that, had not been fully tested and they accept the liability for that. How you measure the liability, how you can get compensation is a matter we will address very closely.

### Public Works Department

PWD, it would have done Charles Carter's heart good to hear that they have come right in a lot of peoples eyes at last. I have always thought that they have done a good job and much of the, forgive the pun, the spade work, that he started is beginning to become more and more manifest as times goes on. But I think we have to acknowledge already the very excellent work that Mr Hill is doing as the new Director of Public Works and the difference in the priorities that he has already indicated, I think, will make members even more cheerful about the Public Works Department in the future.

### The Minister Mr Tristan Garel-Jones

The mention was made of the opportunity to meet the Minister and it will be on Saturday at 10 o'clock in this building. It may just be possible that some members of the public would like to task the Minister with the business of the Falkland Islands Company and their proposal to sell off their farms because I am aware that he answered a question in Parliament this week that was put to him asking what interest or what continuing interest did the Falkland Islands Company have in the Falkland Islands following the sale of the farms, and from memory he appeared to indicate that he was very satisfied from his contact with the chairman of the Company that their involvement was continuing and indeed would be reinforced in the future. We have in our initial discussions with McErlain been given every assurance that Anglo United are anxious to continue to be a major trading presence in the Colony and in fact they intend to expand those parts of their operations. If it comes to further negotiations you can be certain there is no question of there being hasty action. If it comes to a matter of detailed negotiation I believe there are those of you around this table who will appreciate from their experience that we do not allow ourselves to be bullied when we are negotiating and I think we are in a good position as a buyer. They have a certain position as a seller and as I had indicated earlier this is an opportunity that won't come up very often.

What one has to bear in mind is what is the sad alternative if it doesn't fall into responsible hands. If it perhaps stays in Falkland Islands Company hands and they cannot sustain the losses one must expect to see considerable changes and perhaps redundancies. That will have a very significant impact on Stanley and the Colony as a whole. If it is sold to some other prospective buyer who may not be looking at the long term value to the Colony but to short term profits, goodness knows what might happen. So I think there are a number of very good reasons why we should be looking at this very closely and that is being done.

### Falkland Islands Development Corporation

I recall the Canon saying as part of his prayer when we started that there was to be a knitting together of all Christian hearts

in charity. There seems to be little Christianity being shown toward FIDC; I don't know why they have reached the top of the hate list, but I really believe that it is quite unjustifiable. To say that they should be more closely controlled by Government, is really, jolly difficult to understand. The Chairman of FIDC is the Governor who sees every single paper; the Executive Board, which I Chair, I see every single paper; those papers which go to the board are seen, monitored, and advised upon by the Financial Secretary, both past and present; by the Attorney General; by anyone who has any particular axe to grind on any project that they come up with. I think it would be seen as inconceivable for a Development Organisation in any country, that I know of, to be so hindered by Government. Now the miracle is that it does actually work. I can well understand after the experiences a few years ago why people had every reason to be cautious, because I think there is good justification that they were perhaps too bold, too energetic, too ready to get things done without addressing the detail of good commercial practise.

#### Paragon

I honestly don't think that that is a fair criticism at the moment. Their involvement with the company 'Paragon' is, I would have thought, precisely what you would want a Development Corporation to do. They are there, not a sleeping partner, but they are there with the skill and expertise and the resources to help administer that Company. As soon as they can withdraw and stand back and let it go on its own, they will be delighted to. I would suggest that had this company been formed three years ago we would have wholly owned it, but as it is we have a very modest investment and that investment can be reduced just as quickly as someone else would take it up. I think we actually have a Development Corporation to be proud of and they should be given every possible encouragement.

#### Coastal Shipping

On Coastal Shipping, I am pleased that the Council is satisfied with the arrangements that have been made. Contrary to certain rumours that abounded in the town recently, the key player in that exercise was the Attorney General who has really exercised an extraordinary amount of leverage, influence and advocacy to get us to the stage that we are at today and anyone who is interested in Coastal Shipping owes the Attorney General a vote of thanks, certainly no increase in his salary but certainly a vote of thanks.

#### FOCZ

When we come to the matter of the FOCZ, the Government share the dismay at the discovery of the grey area of the hole in the FOCZ. We have instructed Imperial College to measure the loss that we can anticipate and the RRAG people are going to produce a best and worse case option. That I am certain will be used effectively at the commission talks with Argentina to try and

plug that hole. As you know at the Commission talks, the next occasion will actually have our Director of Fisheries representing the Falkland Islands and you can be sure that he won't let that matter rest and will present the strongest possible argument for the appropriate action to be taken. I think that it is perhaps worthwhile mentioning that John Barton will be travelling on a British passport to Argentina and will not be making use of a White Card.

#### Hamshaw Report

I was concerned that there appears to be some misunderstanding about the Hamshaw Report. The Hamshaw Report is not a report that reviews salaries; it reviews the structure of Government and it is accepted practise in territories throughout the world and indeed in certain areas of regional and local Government in Britain; that you bring in an outsider deliberately to look at a problem that the locals are frequently too close to and find it difficult to make a fair judgement, and this is a pattern that has been going on for many years. Hamshaw has done this indeed for the Falkland Islands in the past, quite successfully.

As it is the will of this Government that further consultation should take place before its acceptance as has been done in the past, that is precisely what has happened and Members have had access to it, the Civil Servants Association has had access to the document and Heads of Department will now be consulting with their departments on the general nature. But it is the type of policy document that it is most unusual for you to consider to discuss with rank and file.

#### Government

I was interested in the analogy of the football team and certainly we now have a squad of 15 star players. 11 of that squad are now Falkland Islanders which is a matter which gives us all considerable pleasure. I am not a great football fan but I hear enough about football to know that it is often the manager who is put in the firing line if the team doesn't perform and I sometimes wonder if some of the board members have not perhaps produced undue pressure on the poor manager who one should give a kind thought to now and again.

#### Financial Secretary

I would very much like to welcome Derek as Financial Secretary I think he has had an extraordinary baptism of fire today and to be faced with having to Chair a Select Committee stone cold and deal with this on his first outing, augurs very well indeed. Derek, I congratulate you on the way that you handled that most difficult situation. Your Excellency, I support the adjournment.

## Commander British Forces:

### Operation Raleigh

Your Excellency, Honourable Members, in rising to support the motion for adjournment I should make it clear that I have no targets and no axes to grind and I am sure you wouldn't expect anything else. But I hope you won't think it amiss if I take this opportunity to praise and I would like to, having missed the celebrations last Saturday, to commend the efforts of those four boys who are shortly to be off on the experience of a life time. There is no doubt that for four boys to raise the sum of £16000 between them is a considerable target and challenge, and they have set about that with considerable grit and determination and it therefore gives me even more pleasure to do the little bit that we have been able to do on the military community within the Islands to reduce that sum by some £1500. I hope that will help and the £16050, I think to be precise. Because the efforts that they are showing are I think remarkable and I am sure that when they get to their places, the locations in which they are going to undertake their Operation Raleigh task, they will come up as very much greater young men than perhaps they would have been otherwise as the result of the experiences of the last few months.

### Falkland Islands Defence Force

I wonder if I might take this opportunity to refer to the FIDF, and particularly to express my, thanks would be the wrong word, but I am heartened by the support that Councillors are giving to the proposal to modernise the Falkland Islands Defence Force facilities. I endorse very much what Councillor Peck has said; I think that if the Falkland Islands are to have a Defence Force of which they can be proud, and I know that the Falkland Islanders are proud of their Defence Force, if they are going to continue to retain people in that Defence Force and to recruit more into it then they have simply got to find alternative facilities for them to base themselves in and from which they can do their work. And therefore I am very heartened by the efforts which are being made in that regard. Councillors may be interested to know that I am going to get in touch with Major Summers and we shall be proposing to him, that whenever possible, we should do joint patrolling around Camp with the FIDF, on as many occasions as that is possible.

### Camp Telephone System

Lastly and I tread into this ground with fear, I notice that there are one or two concerns about this telephone system. (Reminds me of British Telecom coming in the U.K.). There is clearly some problems and you may be interested to know that there is a suggestion and Councillor Binnie has referred to it, that perhaps the MOD have something to do with this evil work. I can tell you that there is an acceptance on behalf of the MOD that the Mount Kent radar may have something to do with it and,

that I'm getting too technical for even my understanding, but there is some leakage and we are taking steps in the very near future to correct that at the cost of £14000 and I hope then that if there is anything that can be attributed to Mount Kent radar, that in the very near future will have been solved and I am in close touch with the Chief Executive. We keep along side each other on this important matter. Your Excellency, I beg to support the motion.

**The President:**

Financial Secretary

Honourable Members I have very few comments, I think all the ground has been very much covered. I associate myself, first with the good wishes expressed for the future of the former Financial Secretary and Mrs Buckland James.

Minister Mr Tristan Garel-Jones

I endorse the idea that people should attend the public meeting. It will, as you have heard, be on Saturday in this room and the Minister will, I am sure, be happy to field any subject.

Falkland Islands Development Corporation

FIDC, I hope that isn't becoming too secret an organisation. I have often said here that I hope communication between Councillors and the Administration can be day to day and that there is nothing wrong with anyone picking up a phone and asking someone what is happening. FIDC are also on the phone, your phones work I hope to FIDC anyway, so please do be in touch and I am sure that FIDC will be happy to attend General Purposes Committee or other meetings if you want to ask about any particular problem. I hope we have made a lot of progress in getting away from the sort of situation where if something goes wrong, there is a confrontation. I think every day, or not every day but frequently, people should be in touch with each other.

Public Works Department

I was delighted to hear more congratulations for the PWD. They do get quite a lot of congratulations; I remember being in the happy position of passing on a lot myself at the Legco, Budget Legco, last May. I have used the Estancia Track a number of times and the difference it makes to the life of all the people at the end of it is truly fantastic. So more of the same please, I am very happy to associate myself with those congratulations.

FOCZ

The FOCZ, I don't want to go on and on about that; it has been covered. I would perhaps like to say that however monumental or not the FOCZ gap is, it is not large compared with the area of sea which is now safe from depredation. But, I repeat, we are

going to plug it and the action to do that is already in hand. We are not waiting, it has already been begun, discussions have been entered into. What we are afforded by the FOCZ is very great and even if the gap were not to be closed, those benefits certainly couldn't be nullified by it.

#### Operation Raleigh

The Commander British Forces referred to Operation Raleigh. The military as we all know does a very great deal, and has in this case, and does continually for charities and other causes frequently throughout these Islands, and we have great cause to be grateful to them not only on this occasion.

#### HRH The Duke of Edinburgh's Visit

Honourable Members I think that brings me to the end of my comments. One more perhaps just to echo one that was made arising out of a question earlier. I do hope we can have another blitz on the towns tidiness before HRH the Duke of Edinburgh comes. There was quite a blitz before HRH the Duke of Kent came and it was very successful I thought. But as the point has been made, it is up to people. Two or Three Coca Cola cans cast down in the middle of the street have a very bad effect; it is a very simple action; it is also a very simple action not to do, so I hope all the population will bear that in mind. Honourable Members I think we have come to the end; the House stands adjourned, thank you.

QUESTIONS FOR WRITTEN ANSWERS

(Asked between 9th January and 20th February 1991)

Question No 1/91 by the Honourable G P Short

Can the Attorney General please say whether any part or parts of the Estancia track have been declared as a road, and if not, what jurisdiction do the Police have over the Estancia track?

**Reply by the Attorney General:**

No part of the Estancia track has been designated as a road under section 9N of the Road Traffic Ordinance. Those provisions of that Ordinance which apply only to roads do not apply to the Estancia track. For that reason, the powers of the Police in relation to the Estancia track and events occurring on it are those which apply generally in relation to land in the Falkland Islands which is not part of a road within the meaning of the word "road" as defined in section 2 of the Road Traffic Ordinance.

Question No 2/91 by the Honourable G M Robson

Can the Chief Executive say whether there are any plans to put any FIG general procurement requirements out to local tender possibly securing

- (a) cheaper stores; and
- (b) boosting local business,

as FIG are possibly the largest importer of all manner of goods to the Falkland Islands ?

**Reply by the Honourable the Chief Executive:**

1. Stores Regulation 1301, under Chapter IV, Purchasing of Stores from Overseas, reads as follows:

"Overseas Purchasing Policy

Because the value and quantity involved rarely justify the Crown Agents purchasing charges which bear disproportionately heavily on small orders it is the Government's policy to procure stores from overseas, normally from the United Kingdom, by direct purchase or through local agents rather than by indenting on the Crown Agents unless there be advantage to the service in doing so. Accordingly heads of departments have a continuing discretion to order stores from overseas direct or through local agents where the latter course is no less advantageous. In exercising his discretion the head of



department must, particularly when making regular purchases of stock items, obtain quotations from different suppliers, and from time to time the Crown Agents, for items of comparable quality and quantity. A head of department may be called upon to defend his choice of supplier to the Principal Auditor."

2. I will ensure that Heads of Departments are reminded of this regulation and encouraged to use local agents where they are satisfied the purchase will be to Government's economic advantage.

3. I also suggest that local agents be encouraged to adopt a more dynamic approach to advertise their wares. For example, I am aware that the Supplies Officer and Heads of Departments examine catalogues as a means of deciding on where to purchase for best value for money. I would imagine that all the catalogues are from overseas suppliers simply because catalogues from local suppliers do not exist. If local suppliers want to compete I believe they must make as much effort as overseas suppliers. It should be easier for them to make more effort. FIG often have visits from Crown Agents representatives (8,000 miles away) who promote their procurement services. I am not aware of any local agents, all of whom are much closer than 8,000 miles, who offer a similar or modified service.

Will Fung  
1/6/91

RECORD OF THE MEETING OF THE  
LEGISLATIVE COUNCIL  
HELD IN STANLEY ON  
TUESDAY 23rd APRIL 1991

RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL

HELD IN STANLEY

ON TUESDAY 23RD APRIL 1991

**PRESIDENT**

His Excellency the Governor  
(Mr W H Fullerton CMG)

**MEMBERS**

Ex-Officio

The Honourable the Chief Executive  
(Mr R Sampson)

The Honourable the Financial Secretary  
(Mr Derek Frank Howatt)

Elected

The Honourable R E Binnie  
(Elected Member for Camp Constituency)

The Honourable T J Peck MBE CPM  
(Elected Member for Stanley Constituency)

The Honourable H T Rowlands CBE  
(Elected Member for Stanley Constituency)

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

The Honourable K S Kilmartin  
(Elected Member for Camp Constituency)

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

The Honourable G M Robson  
(Elected Member for Stanley Constituency)

The Honourable G P Short  
(Elected Member for Stanley Constituency)

**PERSONS ENTITLED TO ATTEND**

The Attorney General  
(Mr D G Lang QC)

The Commander British Forces  
(Major General Malcolm Peter John Hunt OBE RM)

**CLERK:** Mr Anton Livermore CPM

**PRAYERS** Reverend Canon J G M W Murphy LVO MA

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## OPENING REMARKS BY THE PRESIDENT

Honourable Members, we have but one issue really before us this afternoon, and it doesn't need any introduction from me, so I will not delay the meeting any further but merely ask the Clerk of the Councils to continue.

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

Copies of Subsidiary Legislation made or approved by the Governor in Council since the 20 February 1991.

The Planning Ordinance 1991 Commencement Notice 1991;  
The General Development Order 1991;  
The Planning (General) Regulations 1991;  
The Income Tax (Apportionment of Deductions) Rules 1991;  
The Income Tax (Annual Values) Rules 1991;  
The Deductions (Employees) (Amendment) Regulations Order 1991;  
The Banking Regulations (Amendment) Order 1991;  
The Fishing Licences (Applications and Fees) Regulations Order 1991;  
The Stanley-Darwin Road (De-designation) Order 1991;

## ORDERS OF THE DAY - BILLS

### THE SUPPLEMENTARY APPROPRIATION (1990-1991) (No.2) BILL 1991

**The Honourable the Financial Secretary:**

Your Excellency, this Bill is presented under a Certificate of Urgency which I lay on the table.

The Bill is required to appropriate and authorise the withdrawal of the sum of £6 million from the Consolidated Fund to provide for supplementary expenditure approved by the Standing Finance Committee on the 5 and 6 April. The £6 million of supplementary expenditure is analysed as follows:

A loan to Falklands Landholdings Limited of £5.5 million this includes the purchase of the four FIC farms namely Goose Green, Walker Creek, North Arm and Fitzroy, which comprises approximately 796,000 acres of land, over 200,000 sheep, other livestock and all buildings, plant and equipment: that is £4.85 million. An estimated value of stocks of farm materials and stores, the actual value subject to a stock take: that is £.4 million and estimated working capital required to the 30 June 1991 which is £.25 million, and that is where we get the loan to Falklands Landholdings Ltd. for £5.5 million and plus a transfer of Port Stephens mortgages to the Falkland Islands Government of £.5 million, and that totals the total supplementary expenditure: £6 million.

The Bill does not authorise the payment of £6 million but only the withdrawal from the Consolidated Fund should the payment be approved. The payment will only be approved when Government is

satisfied that the relevant agreements between the Falkland Islands Company Ltd. and Falklands Landholdings Ltd. reflect Council's decisions. If considered necessary, Councillors of course are at liberty, at an appropriate time, to scrutinise the agreements with the assistance of the Attorney General to ensure that Council's decisions are fully provided and Government's interests are fully protected therein. I can assure this House that like any other agreements, no payments will be made by the Treasury outside the provisions of those agreements. I beg to move the first reading of the Bill.

**On the motion that the Bill be read a first time Honourable Members spoke as follows:**

**Honourable H T Rowlands CBE:**

Your Excellency, Honourable Members, I have discussed the proposed purchase of the FIC farms with a large number of my constituents and a number of Camp residents. A small minority said, "don't buy," the majority said, "yes, to local ownership". The deal in my opinion cannot be described as very good, but it has been made abundantly clear to me that if we reject paying the price, local ownership in the foreseeable future is unlikely to happen. I feel that we should not miss the opportunity to buy.

For this year and next year there will probably not be any return, but I believe that farming land here does have a potential, not only for wool, but for mutton, beef etc. For example, it seems odd to me that a large quantity of sheep are slaughtered annually, yet we import a large amount of pet foods.

I fully appreciate the valuations of sheep farms are based on the income that they will produce, and a convenient way is to express the value in pounds sterling per head. But if there is a future in other directions maybe we should be looking at the other assets as well. If the 800,000 acres are divided into the purchase price of £4.85 million the answer is £6.06 per acre which includes 205,000 sheep, 74 dwelling houses, a variety of other buildings, 1400 cattle, 500 horses and a wide range of machinery and vehicles. By purchasing, Government will also have the mineral rights.

I repeat that to me it is not a good deal, but all the alternatives if we do not buy are unacceptable to me. I therefore support the additional provision requested for the farms and trust at least the Falkland Islands children, grandchildren and great grandchildren will benefit from this investment. I want to see the farms on offer under local ownership and under Falkland Islands control. I beg to support the motion subject to agreeing to a contract in Executive Council tomorrow.

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

**The Honourable W R Luxton:**

Yes Sir, I wish to speak to the motion. Your Excellency, I believe this Council is on the verge of making the biggest mistake that it is ever likely to make, and probably the biggest made by any Council.

We are asked to vote an astronomical amount of money to fund a project and we don't really know what it is. It has all been too rushed, it's too expensive, too little thought has been put in during the short time available, and most of us have not the slightest idea about the details. We are being asked to write a virtual blank cheque, and make no mistake this will be the first of many, for a package which really remains a mystery tour. If I asked you would you buy a house on this basis, no search, no detailed agreement, you take possession and find out six months later that it is going to be demolished to make way for a new FIPASS or something. What a farce the whole thing has been.

We rush into business and send off our negotiating team, with all due respect, comprising of an ex-army officer, a plumber, and a school teacher and I know my Honourable friend whose financial acumen served these Islands so well for years was there but he seems to have lost his touch, temporarily I hope, and they are put up against some of the most ruthless, cold blooded, asset stripping, financial parasites that are still roaming the world and the outcome is presented as a good result. The Chief Executive proudly announces that Anglo have made major concessions. What a load of rubbish; they must have laughed themselves silly having just given up a few of what they intended to be "throw away items": the core of what they wanted, £5 million was not even touched.

Here we are in a "buyers' market", probably in the best buyers' market world-wide for decades for agricultural land. Land prices all over the world are falling catastrophically and they are expected to fall even further. Farming all over the world is in crisis and what happens? The Falkland Islands Government decides to pay the highest price ever paid locally for farming land (I stress "farming land" because there have been higher prices but there were other factors involved) and proposes to sink millions of our reserves in the purchase. In the years to come there will be millions more to make up for losses, let alone any capital investment needed.

I wonder that it doesn't surprise anyone that the two members of this Council who are appalled at what is proposed are the only ones with their entire life involved with the sheep farming industry, and who know how dreadful the prospects are, and read with apprehension the world-wide reports of the collapse and bankruptcy of farmers everywhere: and here we are proposing to bail out Anglo from their farm interests so they can without a care continue to screw the maximum profit out of their remaining Falkland enterprises. Of course, they will only hang onto those while the profit lasts, and then perhaps FIG will be asked to buy

a denuded West Store; closely followed by cut down Island Construction and so on, and so on. We will probably even finish up paying a million for the fifty percent Darwin Shipping that we aren't already lumbered with and what are its assets? Goodwill? That is a joke. I think in the future "goodwill" and the FIC are likely to be infrequent bed-fellows.

Islanders will not quickly forget the brief words of the ghastly Muirhead over the radio recently. How do FIC Stanley employees feel, I wonder? I am sure they would be reluctant to say. I have already had one on the phone and was appalled when he asked me not to quote him for fear of retribution. But just to remind you, Muirhead's comment was "so what?" when reminded that some employees had many, many, years longer service than the managers who were being offered a bonus to expedite the sale. He declared that he wasn't bothered about what they thought. It doesn't surprise me, I know him to be a stranger to the truth from personal experience. He sat in my house and declared that FIC were "here for keeps" and wouldn't be selling out under any circumstances. Later on of course, I heard that at the very time, our illustrious Chief Executive and McErlain were discussing the present proposal in London. And what about the public's opportunity to have a say in this matter? Oh no, that would have been inconvenient.

At one stage, Councillor Peck, when he returned from London declared publicly that there would be a public meeting, I wonder what happened to that? Councillor Peck also annoyed me during the radio phone-in when he said there was plenty of time for discussion; that Councillor Edwards and I wanted to rush things through. He knows perfectly well that we wanted a delay to enable all Councillors to discuss it with their constituents, perhaps have a public meeting which I believe is what the public wanted. He also knows perfectly well, and will remember, that the Chief Executive quite specifically told me that I was party to a confidential document and would not be permitted to reveal any of the terms of this appalling deal to anyone outside Standing Finance Committee. We had already spent a day arguing with the people in that room and if we couldn't speak to anyone outside about it, after all the poor ruddy tax-payer is just footing the bill, there seemed little point in continuing.

Make no mistake, the Administration and its masters are behind this right up to the hilt. All the hands on heart protestations and denials in the world won't convince me. Was it a Shakespearian Character, and I hope Prince Charles will forgive me for the present news, who said something like "me thinks he doth protest too much"? I have been involved in colonial government too long to be completely fooled. I know that if only the FCO and the Administration want something to happen, does it happen as fast as this. If by contrast Councillors want something and it doesn't have Administration approval, it is like wading through thick porridge. Look at the time it took to get our first fishing zone (and we still don't have proper control of the 200 miles) and look at the progress over minerals



legislation, if you can use the word "progress".

I don't believe anyone has properly taken on board the future implications of this proposal. Even at a reasonable price for the farms, the future cost to FIG would be massive: and if Landmount Plc, or whatever it is going to be called, is supported by the tax-payer it will be politically difficult to allow other farms to go down the drain. I wonder if the tax-payer's pocket has a magic lining or something, as it sure as hell is going to need it on a declining revenue which is what we have at present.

I am sure the Chief Executive and others will drone on about us being committed now and "our word is our bond" and so on, and so on and so on, but I put it to Honourable Members, Sir, that it is never too late to realise that you have made a monumental "cock-up". The British Tory Party have done a complete "U-turn" on the poll tax, and it is costing the tax payer a fortune in the United Kingdom to unscramble that mess. I urge Honourable Members to realise that the vast majority of Islanders, at least the ones that have been in touch with me, don't seem to want this proposal as it stands and it is not too late to arrive at a better solution. Very briefly, to me there seems to be two possible strategies: one is to negotiate the same price for the farms and the other is to insist that we want the whole of the assets of FIC and be rid of this wretched Anglo United forever. Accordingly Sir, I should like to propose an amendment to the Motion, but before I do I would just like to quote from a report to the Chief Executive by one of the few people in this Government with a sound financial head on his shoulders and for whom I have the greatest respect and after much, several pages, of reasoned argument the conclusion is "based on available information and the terms outlined in the draft prospectus, it is considered that the purchase of the FIC farms is an extremely poor investment, even at the suggested price of £2 million, viability is not assured". There is a lot of other interesting meat in that report other than that, but that is the core of it. Accordingly Sir, I have an amendment which I would like to propose. I have it in writing if you wish, but the amendment is that wherever in the "Supplementary Appropriation (1990/1991) (No.2) Bill 1991" the words or figures "£6 million" appear that they be deleted and replaced by the words and figures "£3 million". I beg to move the amendment.

**The Honourable Mrs Norma Edwards seconded the amendment and spoke as follows:**

**The Honourable Mrs Norma Edwards:**

Yes Sir, and also if I may say a few words on the Bill. I feel I can't support the appropriation of the money because I understand that there are still negotiations to be undertaken. We have been assured today prior to coming to this meeting that that doesn't mean anything, you know you vote the money and it won't be spent unless we are well assured that all the agreements are understood by Council and agreed by Council.

Now I find that very difficult to take on board in view of the fact that when this all came about, we were informed in any other business by Councillor Binnie that there was a rumour that the FIC farms may be up for sale. That was in January. At the time the Chief Executive was in England on VRA talks and we asked you Sir, if you would ring him and ask him to go round to Anglo United and see if there was any truth in this.

I was surprised then to hear Mr Mosey on the radio saying that Government were interested in buying the farms, and surprised to hear Mr McErlain on "Calling the Falklands" saying that Government was interested in buying the farms. I rang you then and asked "what is going on?" and you assured me at that time that all Councillors would be fully informed before any decision was made. We then sent another party off to England to look at the situation further. They didn't have a remit to buy the farms but they came back with the Heads of Terms which was presented to us then. So I don't have a great deal of faith in being told that further negotiations are to take place and I will be informed about them. I understood when we came to Council this time, one of the things that was mentioned at the first meeting of Council was that we wanted a more open Government. Well this is as good a closed shop lately as I have ever had any dealings with and I feel we are making a mistake. All our financial advice has been that the farms were worth £2-£2.5 million at the most and I think we should have negotiated further rather than accepting the £5 million that Anglo United wanted. Or we should have pressed them for the whole of the FIC if we could have got it because I don't think we are getting rid of any problem in buying the farms. The problem is Anglo United which is still going to be here and the next bit of their property to go, I would think, will be in Stanley; they will start asset stripping here. If the Anne Boye is anything to go by when she came in this last time, pretty light in the water, then there isn't much going into the FIC at the moment. So I wonder what their next move will be. As far as Darwin Shipping goes, I think we have got ourselves involved in 50% of a debt which to me doesn't seem to be too much of a good deal.

I don't think that the wool prices are going to be as good as people think they are in a year or two. I think we will still have to suffer a few years yet with bad wool prices, which will mean we will be paying constantly for these farms as well as all the other farms, and there is so much detail that is still to be ironed out that I really feel that we shouldn't be here today asking for £6 million to be voted until all the smaller details concerned in this agreement with Anglo are ironed out properly. I cannot support the Bill Sir.

**The Honourable T J Peck MBE CPM:**

On a point of order Your Excellency, I am just a wee bit confused. The Honourable William Luxton asked for an amendment to the Bill and this is seconded by Councillor Edwards who does not support the Bill at all. I am a little bit at a loss to

understand.

**The Honourable Mrs Norma Edwards:**

I support the amendment, but not the Bill.

**The Honourable T J Peck MBE CPM:**

Thank you.

**The Attorney General:**

May I just make it clear that all Members are permitted to speak to the amendment even if they have already spoken and that the amendment having been put, probably the best procedure is to have the amendment after all persons who wish to do so have spoken to the amendment, for the amendment to be voted upon and then Members can if they haven't already spoken on the Bill, speak on the Bill. Because the amendment must of course be put to the vote before the Bill is.

The amendment was then voted on and as there were only two in favour of it, was declared lost.

**The Honourable R E Binnie;**

Your Excellency, Honourable Members. I in the first instance must declare an interest but I believe I can speak on the Bill but not vote on it.

I believe over the years it has been desirable for Falkland Islanders to own the Falkland Islands and I have heard it said many, many, times by many people about the overseas landlords, sitting in U.K., taking away the profit: and here we have a chance to acquire the last major part of the Falklands that is owned by overseas landlords. I believe that if we do not take that chance today, the chance may never arise again.

If we purchase the farms, it will stabilise the Falklands farming community. At present on those four farms, we probably have something like a quarter of the Camp population, who over the past eighteen, twenty years have been under four or five different managements, hard U.K. businessmen. At long last, we have the chance to put it under local management and I would hope it would stay that way and perhaps be privatised where every member on the farm has a share in the farm and a share in the profit in the farm he is working. Sir, I propose, although not having a vote, that we vote this money today for the purchase of these farms.

**The Honourable R S Kilmartin:**

Your Excellency, it has been the policy of the Falkland Islands Government for some years that land in the Falklands should be locally owned. Previously, it has also been the policy to

subdivide that land into small farms. This is not the case for the foreseeable future with these farms. However, it is also the policy of the Government following numerous catastrophes over the years not to enter into the commercial world again, and in this particular case I hope to see the farms sufficiently distanced from government so that they are and remain commercial entities and do not have to be continually propped up from central government.

The price is somewhat high but I think the circumstance of the deal was such that our eyes were made to water but the price was affordable and the options were worse. It is for these reasons that I support the Bill.

**The Honourable G M Robson:**

Your Excellency, Honourable Members. Perhaps I could draw attention to a quote from the Shackleton Report of 1976 which was reiterated in 1982, and I quote "economic development of the Falkland Islands on the lines we propose will ultimately depend for its success upon the degree of local commitment to the future of the Islands". This I feel is the crux of the matter. I maintain that to progress we have to be in charge of our own destinies as far as possible and to this end local ownership of our land-mass must be one of the most important aspects of self determination.

It can be argued that it is not necessary to own something to govern it. But our case, internationally, would be very much improved if it can be seen that local people actually own the land they live in. Anglo United are a British Company. Conceivably they may be pressured to strengthen their links with people that we may not approve of, possibly to our cost; likewise, any new buyer could be more amenable to any pressure. There has been talk of the possibility of blocking any sale to non-desirables. But what would this cost in terms of international creditability? At the very least we must now gain some support in the world at large as one more shackle of a perceived colonial imperialistic status has disappeared.

The Shackleton report team were also of the opinion that a radical solution was, is, required to stem the flow of funds from the Islands and to encourage reinvestment of any profits that may accrue. Detractors will say there are no profits to be had in farming. I dispute this premise. In this time perhaps this is right, but I feel there is a long term future. Perhaps I am over optimistic but I believe that agriculture still has a large part to play in world commerce. Wool prices are depressed at the moment but from some information I have gleaned that the upturn in wool is not that far away; indeed to a degree there is already a very small upturn in the market, and if you look at wool price graphs over the last 40 years it can be seen that wool prices slump every 4 or 5 years or so and then gradually rise again.

Six months ago, I listened to arguments that said that

agriculture has been the backbone of the Falkland Island economy for 150 years. Now some of the people who put that view forward are saying agriculture will break that back. The agricultural work-force of Lafonia is approximately 50% of our total agricultural sector and should they be dependent on the good will of an overseas company. Sir, I support the motion.

**The Honourable G P Short:**

Your Excellency, Honourable Members, in rising to speak to the motion I started off being very much in favour of buying the FIC even at £4.85, I must admit. I have since spoken to a lot of the public and the overriding feeling I have got from them is that the vast majority of people are in favour of buying the FIC but at a lower price. I have to remember that I am elected by the people and I must take on board what they say and represent them and that is what I intend to do this afternoon, Sir.

If I could touch on one or two points before I finish; one is the taking on board of Darwin Shipping Ltd. and that to me is sheer lunacy. I believe we shouldn't touch it with a barge pole. From what I can understand from working down around the docks etc. and with various figures there seems to be, I wouldn't say a terminal decline, but certainly freight on that boat is declining pretty dramatically and I believe that it may continue to do so. Now if we are partners in that boat and it is going to start needing hand-outs then I know where they will come squealing, it will be to the Government. Sir, I just cannot support that part of the sale agreement.

The other point that bothers me slightly is we seem to be going along with a blank cheque policy here. I really think we are going at it backwards; this meeting shouldn't have happened until the team have been back to London and have come back with the final proposals. I feel that we are writing a cheque and it is going to be very much outside my control as a Legislative Councillor what happens at the end of the day or at least that seems to be what has happened in the past anyway. Sir, taking on board what the public have been saying to me, I am afraid I cannot agree to the Appropriation Bill in its present form. Sir I do not support the Bill.

**The Honourable T J Peck MBE CPM:**

Your Excellency, Honourable Members. I have listened with a degree of interest to most of what has been discussed this afternoon. I would like to endorse everything that Councillor Robson has said and those of the other Members, Councillors Binnie, Kilmartin and Rowlands. I have been in the front, if you like, right from day one with regards the possible purchase of the FIC farms from Anglo United. Now on that occasion the matter was raised in Executive Council, and as has already been said, the Chief Executive was instructed by Your Excellency from Executive Council to inquire of Anglo United whether this was true. The answer came back that "yes, it was true".

Following that we, Council, invited the Chief Executive and other members within the Administration and the General Manager of FIDC to set up a working group to enquire into possible evaluation as much as they possibly could to enable Council to be given as much information as possible and this was done. Following that the Chief Executive, myself and the Agricultural Economist were given approval by the rest of Council to travel to London to negotiate with Anglo United on the possible purchase of the four farms. Councillor Robson who was in London at the time was also invited to be part of this team.

Before leaving the Falklands, we had kept every Councillor informed about the chartered surveyors, Cluttons, who were a very highly reputable company to be part of this negotiating team. Also the Solicitors, Charles Russell were invited to act as legal advisors to the Falkland Islands Government. Nothing was done without the knowledge of every Councillor along these lines. When negotiating with a commercial company, one does not leak to all the world what the negotiations are all about. There are certain things that one can discuss fairly openly with Members of Council, but not everything can be made known. Otherwise you break the confidence of companies with whom you are negotiating. I will say it now that the Falkland Islands was only last year referred to as a colander because it was always leaking information to the newspapers and other places as well. It is a difficult thing to be part of a negotiating team when you have to, and I am not saying solely Council but certainly Councillors are a big part of it and certainly officers within the service as well, for not being discreet enough when in discussion with other people. I have heard aspersions cast here today by the Councillor which I resent. Nothing that was done by the negotiating team was done without the knowledge of other Executive Council Members and in this, as much as possible, with the Members of the whole Legislature.

I found, when in London, it was extremely hard work and I believe that what we achieved in London was the best possible deal for the Falkland Islands. I would have liked to have got the price lower; this was not possible. I am absolutely certain that there was at least one if not two other buyers who were willing to pay far over and above what Anglo United offered the Falkland Islands for these four farms.

I was a plumber, quite proud of it, not a farmer: but I was also the Chief of Police for 14 years and a total of 21 years within the Police Force. I do know people, I believe I do know how to handle people. I stood for election in 1981; I was elected with a resounding majority of votes, I was very proud of that. In October 1989 I stood for election again; I was voted in with quite a resounding victory. Not at the expense of any department or official or anything else but simply because it was me. And I have been an Islander all my life and am very proud of it and I have looked to the future for my people and these Islands to make decisions. What I said in my mandate, "sometimes I will be making decisions which will not find favour with everybody;" it

is unfortunate, but then that is all part of life. This time I have made a decision that I wished to buy the four FIC farms from Anglo United.

Council in a democratic process sat in Executive Council and then referred the matter to the Standing Finance Committee for open discussion. The discussions lasted into the second day; there is a lot mentioned where time has not been given to Members to consider. The second day, the second morning at this Council meeting, the same two Members who opposed the Bill today were offered, by another Member of Council, to have as much time as they wished to consider and study it. He was not worried and nor were the other Members worried how much time it took, that Member or one of those two Members said "sorry I have spent all week in town and I can't afford an extra day, so lets resume the following morning". The public meeting which was referred to was made by FIBS; there was no such statement by myself that I was definitely going to hold a public meeting. I told FIBS that, yes, a public meeting was in mind not only to discuss the FIC but other matters in general. Sadly my time did not permit me to have any public meeting. But as I said on the radio on the phone-in the other evening, there are lots of matters relating to the purchase of these farms or the negotiations which remain confidential for obvious reasons and some of those still remain confidential and cannot be aired publicly.

We have been in office probably going on for two years now. I feel it distressing that some Members have such a distrust of their colleagues in making a decision. It may be next year that I may not be elected to Executive Council again but I certainly would not mistrust my colleagues in making a decision. People have referred to the public meeting. I believe what is being said is that they would have loved everybody to have had their say. I am not going to hold a referendum whenever there is an issue that I have to make a decision on regarding policy, that is why I was elected to Council to make that point, to make those policy decisions, and I will continue to do so as long as I am a serving Member of the Council. Regarding the actual future for the Falkland Islands, I think this offers the best opportunity that we in the Falklands has ever had. We are not talking about solely 27% of the Falkland Islands, we are talking probably 33/35% if we take in Port Stephens. We are honouring and supporting the sheep farming industry as we made it clear to those farmers who asked for not a lot, but a sum, asked for aid: towards the end of last year this was provided. It is not something which is on going but whenever it is possible we would not see any of the farms suffer unnecessarily but it mustn't be taken for granted that we will go on doing this indefinitely.

If the scare-mongering which has been going on is to gather support from the small-holdings the fact that we will be, purchasing, hopefully purchasing, the four farms from FIC, that the fact that we buy them may result in the smaller farms not being assisted in the future. I would say that sort of remark is completely unnecessary; that I as a Councillor, and I am sure my



other colleagues, would ensure that this would not happen. The way ahead is for development. We have the golden opportunity through the four farms which are on offer to us now. We have got, I would think, probably 150 people living on these four farms. We owe it to them as well, it is their future that we are talking about, the future of their young and also the future of a lot of other young people who would love to live, not in Stanley but outside of Stanley. These are the opportunities that we can offer them as a Government should we buy these farms. I hope this afternoon we will support the Bill and approve the funding for the purchase of the FIC farms. I support the motion.

**The Honourable the Financial Secretary:**

Your Excellency, Honourable Members. It would appear that the majority are in favour of supporting the Bill, Sir, and I support the motion.

**The Honourable the Chief Executive:**

Your Excellency I will try very hard not to "drone" for too long. I was reminded by someone that they wished that the report for Legislative Council was put on later at night as there could be no better soporific way to get people who are having difficulty in finding how to get to sleep. Nevertheless, I'm sad that some feel a need to bring personalities into this House. Whilst I am not suggesting that I am in the same league as some, ex-army officers have in their time become Archbishop of Canterbury, Prime Minister and many of them are very successful farmers. What they are usually credited with is some integrity and I would hope that that is not being impinged in this Chamber. It may be that in the 15 years since leaving the army and being selected to come here, that my experience in business on an international scale had some part in my consideration of suitability for this post; my ability to clear up the mess of Stanley Fisheries which was not wrought by ex-army officers or plumbers and may also have been a factor in my selection. Whatever the outcome today, I think it is so important that we all move in the same direction. I think one of the great strengths of this particular Council is that it wasn't divided until very recently between Camp and Stanley, and I think if we have a system that doesn't allow us to disagree on principle, and still be able to meet each other on a friendly basis, then it is a very sad set up that we have got indeed. So right or wrong, whatever the decision is today the Administration, whoever they are, will carry out the will of Legislative Council. But we would hope right or wrong, buy or not buy that we can continue to have a close and amiable working relationship with all concerned.

Some comment has been made about the cost of the farms. My pet theory is that we have a situation where more than one view can actually be the correct view and the view that you value the farms on per head of sheep is very much a Falkland way of doing business between one Islander and another. The competition for Falkland Island Company farms is international, and we are not



dealing with people who look at it per skull. What we are dealing with is people who look at a huge land-mass that is set in a British Colony. It has political stability. It has sterling currency. It is therefore a sound investment.

Let us take the most modest estimate of the land involved and call it 800,000 acres. The least you could value that at is £1 an acre. Let's look at the property that an Honourable Member has already mentioned. The Chairman of Housing has estimated that if 50% of Falkland Island Company farm employees came into Stanley, it would cost in excess of £2 million to house them. Now as 100% of them are being housed, as there are shearing sheds, stores, all sorts of other buildings there, it is not unreasonable to put a value of a million on the properties that are there and that is a gross under-estimate. If you look at the plant and equipment, not the stores because they are being priced separately, the plant and equipment cannot conceivably be estimated at less than £.5 million; you are talking about a regiment's worth of tractors, bulldozers, rovers all sorts of equipment, 30 generators for example. The sheep have to have a price put on, and you can call it £10 or £5 or whatever you like, but you end up in a million plus situation. On top of that you have got over a thousand miles worth of fences; if you estimate that at the most modest figure you can think of you are talking about many, many, hundreds of thousands of pounds. In addition to that, we have other major stock. We have equipment, communications, infrastructures, jetties, vessels. If you were to put all that on that bit of land £6 million doesn't come close.

But the factor that no-one who is against this purchase has mentioned is what I believe is the most critical one and that is the human element. You have 71 people working on those farms who have been held to ransom by various people over the past 20 years and have been subject to what many would describe as feudal conditions. This is the opportunity to put that right. This is the opportunity to give those people some stability in their lives.

Secrecy. In public finance, Government is a model in its procedures, its tenders and its disclosure and everything to do with this deal will be disclosed: it is a question of timing. There is no file or cupboard or cabinet in my office that isn't open: I have no classified documents whatsoever. I have received no instruction, advice or nudge or wink from the Foreign Office on how I should proceed, or how Falkland Islands Government should proceed, in this matter. They have virtually gone out of their way you could say, not to advise: and I would assume they have done that because they firmly believe that this is a Falkland Island matter that should be decided in the Falkland Islands and so it would be improper to criticise that they haven't been involved; but there are occasions when they find themselves in a "no win situation".

It is not unusual in my office and in others for matters to be

considered "commercial-in-confidence." It can be argued that we often reveal too much. For example, we publish and sell the capital estimates and time, after time, after time contractors come up with tenders that are almost identical to those figures that we have too readily made available as being the likely amount of money we would spend on this and that. So it may be that we are rather too open in our form of Government.

However, in this instance we are talking about a six million transaction; that is rather less than we have lost on the Dornier and it won't cost nearly as much to run the farms as it would to fly the Dornier for a year. In this instance, the transaction was far from secret. As has already been indicated, Executive Council began the enquiry, were the farms for sale? Since that point every meeting has been minuted, every phone call has been logged, no action has been taken without authority. Of course, there has been lots of intelligent planning in anticipation. We have also planned in anticipation of the deal not going through, and we would have been irresponsible not to do so. I accept that it is required that some trust has to be extended to the people who negotiate on behalf of this Government or any other group, and that trust places upon those people involved a very heavy responsibility, and I would suggest that what has already been achieved so far is an indication of how well that trust has been placed.

Now the price is known and whether people like it or not it has been democratically accepted as the price. The major conditions are known; they have still some of them to be agreed. This House has my assurance that if we cannot reach the accepted limit of those conditions the deal will fall: we will get up and walk away from the table. The money will never have been taken away from the bank; it will never have failed to earn interest for Falkland Islands Government. The alternative is to seriously suggest that we present Anglo United with a gift of our final bargaining point. Now that is dumb. If that is secrecy, then we are guilty of it: but we are also guilty of being prudent.

There are suggestions being made that the deal has been rushed through. It began on the 23rd of January. We are aiming for a 1st May agreement. Something over 3 months, a quarter of a year, is hardly quick. No Government procedure has been shortened. Every action to involve the best professional, and technical advisors has been taken and their advice weighed. I believe that I have carried out my task in this matter with the same degree of energy and application that I would be directing to any issue that was placed upon me by Legislative Council. My position has been seen by many as the driving force behind the deal. That is a mis-perception. My colleague, my learned and good friend the Attorney General has worked extraordinary hours to try and bring the matter to a conclusion to everybody's satisfaction. The Financial Secretary, the Agricultural Advisor, FIDC, the Chief Development Economist and others have all played a part in being involved. Until now my preference for or against the purchase has not been sought. I am convinced that Anglo United have

presented Falkland Islands Government with an offer that should not be refused. First, it gives the chance to bring stability to farms which have changed ownership too frequently in the past. Second, as we approach the 400th anniversary of the first sighting of the Islands, as we draw close to the year 2000, do we still want one company from overseas to own over a quarter of these Islands and run it, as I have said earlier, as a feudal state. Three, I have said on more than one occasion that the merits of the Falkland Islands being a property and land owning democracy weakens the case of Argentina and anyone else who wishes to portray the Colony as a convenient conduit for the exploitation by the British business.

I firmly believe that the price is right. I firmly believe that the time is right and that the motive for purchase is right; and for the sake of the Falkland Islands future, I warmly support the Motion.

**Commander British Forces:**

Your Excellency, Honourable Councillors. I contribute to these proceedings with some fear and trepidation and I only have one point to make, realising that it would be wholly inappropriate for me to be perceived as being on one side or the other in this very important and serious issue and, of course, I do not seek to be so.

However, having followed the debate with considerable interest, I have heard it suggested that the price of the proposed purchase of this prime Falklands farming land might equate to the total land-mass of these Islands being worth only £20 - £25 million. Whether or not this is true, and whether or not this is a valid point, Honourable Councillors may wish to recall the fact that Her Majesty's Government is currently spending £60 million, every year, to ensure the security of these Islands. I make this point for the information of Honourable Councillors who may wish to consider it in their deliberations. I beg to move.

**The President:**

Thank you. Honourable Members, all have now spoken. We must now take a vote on this Supplementary Appropriation Bill. Could I ask to see the hands of all those in favour: four in favour and against, three against. The motion is therefore carried, so the Bill is passed, so we should now continue in the reading of it to the committee stage.

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

## MOTION FOR ADJOURNMENT

**The Honourable H T Rowlands CBE:**

In rising to support the motion, I would like to say that I was pleased to attend the service on the 24 March for the Queen Alexandra's Royal Army Nursing Corps, and would now like publicly to thank them for the splendid service that they provide to this community. While wearing my "medical hat", I am pleased to note that the Board of Health has been resurrected and that it will be meeting next month. I would like some urgency to be given to the proposed revision of the Immigration Policy.

Finally, with Heritage Year looming, I would like to suggest a new day in the Falkland Islands calendar and that is 10th January, Margaret Thatcher Day. The 10th January is the date on which she received the Freedom of the Falkland Islands. Thank you Sir.

**The Honourable Mrs Norma Edwards:**

In rising to support the motion for adjournment Sir, may I just support Councillor Rowland's suggestion, that the 10th January be Margaret Thatcher Day in the future and just one or two other little things.

This outbreak of cholera in Peru and we now understand down into Chile: can we be assured that our Medical Department is taking all the necessary steps in view of the fact that we now have quite frequent visits to and from Chile that we avoid this? I don't think we will probably get it but can we make sure that we are looking at that problem?

I have had phone calls today about an Argentinian sitting on a yacht in the harbour. Can I assure the general public that I have been told by the Harbour Master that he isn't allowed ashore and if he does come ashore he will be arrested? I hope that puts people's minds at rest. May I just say that I am sad that this Bill has been passed, but I fully understand my colleagues' feelings although I must take just one point. Thank you.

**The Honourable the Chief Executive:**

This is a point of order and not part of the adjournment debate.

**The Honourable Mrs Norma Edwards:**

I will take it up with you later on Chief Executive.

**The President:**

I don't know if anyone else at this junction would like to speak about "Mrs Thatcher Day." Would all Councillors be content with that?

**The Honourable T J Peck MBE CPM:**

Your Excellency, I support Councillor Rowlands and Edwards in this. We have been discussing this with Committee Members of the Heritage Committee, 92 Committee. Councillor Rowlands' proposal on that I think would find great favour within the Islands. I support the motion for adjournment Sir.

**The Honourable G M Robson:**

Your Excellency, Honourable Members. In rising to support the motion for adjournment I would just like to say that in the last month or so while I was in London at a Commonwealth Parliamentary Association Seminar, it struck me that the support for the Falkland Islands in international terms is quite considerable, even if the official line doesn't reflect that and we are a small country but the interest shown in us is still out there even if the focus has gone off a little. I also feel that the Falklands still have a great potential and I believe that we are in an excellent position to be at the forefront of any possible gateway to Antarctica.

We could be in a position, I feel, to sell some of our expertise in things such as fisheries conservation, agricultural research and I don't believe that we should merely let fisheries protection or agricultural research or any of the other things be looked at as merely an expense. It should be seen as an investment in expertise and we should be able to market that and as our confidence increases, then, I believe we should be able to dispel the myths that we are merely sheep farmers clinging to a precarious livelihood and go out into the world market; to market more of our expertise instead of letting the world come to us. Sir, I support the motion.

**The Honourable the Chief Executive:**

Your Excellency, if I can give assurance to Honourable Members that we will again enquire into why the Immigration Policy matter is not perceiving the prompt attention that has been requested in the past. As far as the cholera item is concerned, I am aware that there are currently sufficient stocks to deal with any injections for people who feel they wish to visit Chile and I would be very surprised if indeed reinforcements of those stocks aren't already being sought.

Your Excellency, this is an opportunity that would never be missed by one well known Councillor in the past to observe that the clock on the wall is at the wrong time and I can think that the Honourable Member who used to stay at North Arm, would never have missed the opportunity to draw that to my attention. I can feel the vibrations coming from him already and I give him an undertaking that it will be put right.

### **The President:**

Honourable Members, we have debated this Bill at length as it should be debated, and indeed quite fiercely. The implications of purchase have been thoroughly looked into. We have had expert advice in London. We did, as has been pointed out, take that on board quite wisely. The issue came down I think to a matter of price in the end. All Islanders, I imagine and believe, would wish to see the land in Island ownership. Those against the deal believe that the price was too high and that the FIG were in some way being taken for a ride: those in favour believe that the price even if high was worth paying for so great a prize, long desired by so many, and that the risks of not acquiring the land, that it should be acquired by an unknown, possibly with foreign interests, or someone completely uninterested in the Islands who might have closed the farms down with all the jobs involved, was too great a risk to be taken.

The question of the price and whether this deal was put through in a rush or not has been covered by the Chief Executive at some length too. I think it is perhaps over simple in this context to say that the land is not worth the price; land like anything else is worth what it will fetch. When buying or selling at some point there comes a time when you have to say "we think that is as good as we can do". £6 million is a fairly small sum in world terms; it is quite a large one to us. There is no shortage of companies or individuals with that sort of money about who could have bought the farms. Who Anglo United had in mind if we did not buy, we don't know of course. But it isn't just for a physical commodity in this case, it is for peace of mind, for the satisfaction knowing that we own that land, so there is a large extra element of that in the price structure for us.

There have been allegations along the way about improper influence by the Administration and the Foreign Office, I can state categorically from where I sit I have seen no evidence of this. It seems that the FIG have moved with entirely proper caution and reason and fully within the law at all stages. The Foreign and Commonwealth Office certainly, I would confirm it, has not expressed any view to me as to whether we should or should not buy the land, in any way at all. I think Honourable Members, we should perhaps now try and be content with what we have done. The vote has been taken, the land will be acquired, subject to contract and that is very important. We have not decided today to sign a contract; we have decided to provide money so that if a suitable contract is finally drawn up which meets our approval, we can sign it: that is what we have decided today; that will happen. Let us not be too downcast, let us enjoy and be proud of what we are on the way to gaining it seems. Honourable Members, I think the meeting is now adjourned.

will find

1/6/91



**RECORD OF THE MEETING OF THE  
LEGISLATIVE COUNCIL  
HELD IN STANLEY ON  
1ST - 6TH JUNE 1991**



**RECORD OF THE MEETING OF THE  
LEGISLATIVE COUNCIL  
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1ST - 6TH JUNE 1991**

**RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL**

**HELD IN STANLEY**

**ON 1st - 6th JUNE 1991**

**PRESIDENT**

His Excellency the Governor  
(Mr W H Fullerton CMG)

**MEMBERS**

Ex-Officio

The Honourable the Chief Executive  
(Mr R Sampson)

The Honourable the Financial Secretary  
(Mr Derek Frank Howatt)

Elected

The Honourable R E Binnie  
(Elected Member for Camp Constituency)

The Honourable T J Peck MBE CPM  
(Elected Member for Stanley Constituency)

The Honourable H T Rowlands CBE  
(Elected Member for Stanley Constituency)

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

The Honourable K S Kilmartin  
(Elected Member for Camp Constituency)

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

The Honourable G M Robson  
(Elected Member for Stanley Constituency)

The Honourable G P Short  
(Elected Member for Stanley Constituency)

**PERSONS ENTITLED TO ATTEND**

The Attorney General  
(Mr D G Lang QC)

The Commander British Forces  
(Major General Malcolm Peter John Hunt OBE RM)

**CLERK:** Mr Anton Livermore CPM

**PRAYERS** Reverend Canon J G M W Murphy LVO MA

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## **APPENDIX A**

### **Question for Written Answer**

3/91            The Honourable G M Robson  
                  (peat mould on public paths)

**ADDRESS BY HIS EXCELLENCY THE GOVERNOR  
TO THE LEGISLATIVE COUNCIL ON 1 JUNE 1991**

Honourable Members, Ladies and Gentlemen, Good morning.

Each year as I stand here, the year past seems to have been a momentous one, and this year certainly qualifies. On the international scene there have been further political and economic developments in Europe, a further dismantling of communism; in the Middle East the Gulf war, an event which invited similarities with the Falklands' conflict nine years ago. In both, a small territory was invaded by the armed forces of a large neighbour which claimed it. Although on a more massive scale, the Gulf war fortunately resulted in far fewer British casualties than did the conflict here.

At home in the Falklands all the FIC's remaining farms, representing 27% of the Island land area, were brought into Island ownership. Well over 90% of the farm land in the Falkland Islands is now in local hands. This acquisition was the largest single land transaction in the Islands this century. The area involved was larger than most English counties. We have introduced the Falkland Islands Outer Conservation Zone which should have a crucial impact on the survival of the Illex squid which provides most of our revenue. There is more to be done on conservation in the South Atlantic but we have taken a major step. We also welcomed back after 34 years His Royal Highness The Duke of Edinburgh.

But there have been many other events and developments which while not so momentous have been important enough and I shall try now to give you the highlights of Government activity in the period.

We would be welcoming the Commander, of the British Forces, General Hunt, to his first Budget Legco, and inevitably his last, but he is abroad until this evening. He will attend after the Select Committee so we shall welcome him then. We shall sadly have to say farewell to the General and Mrs Hunt in August. Unless the tour of future Commanders is extended to two years, as I know has been the wish of many of them, and indeed would be that of General Hunt given his choice, we shall continue to have each Commander at only one Budget Legco.

We welcome too Mr Derek Howatt as Financial Secretary to his first Budget Legco.

Honourable Members, it is customary to pay tribute to those who undertake the work of Government and I gladly do so. It is certainly deserved. Each year the work of Councillors grows and becomes more involved, detailed and time consuming; it has been the same this year. The load on them is considerable. They must reflect public opinion and advise it. Not always easy.

The burden of the Administration, headed by the Chief Executive, the Financial Secretary and the Attorney General also increases steadily. Additional issues such as the FIC farm sale and the sale of the Indiana engender much work and responsibility of which the Chief Executive has to bear the brunt. The Government machine is in the public eye. It is not large; the work it deals with becomes always more sophisticated. It has little in reserve when someone is away. It is expected constantly to rise to the occasion and does do so.

Honourable Members, as this is the Budget session, it seems appropriate to lead the review with the Treasury.

## The Treasury

### The Financial Year 1990/91

The revised estimate of Government revenue shows a decrease of £2.5 million over 1989/90 income; this is attributable to a decrease in fisheries revenue.

The revised estimate of Government expenditure for 1990/91 shows an increase of £9.7 million over the previous year. This is mainly due to a substantial increase in the capital programme including the beginning of the new senior school and the purchase of FIC farms.

An overall deficit of £4 million is forecast leaving an estimated balance in reserves at 30 June 1991 of £32.7 million.

### The Financial Year 1991/92

Departmental submissions for operating expenditure totalled £25.3 million for 1991/92 and with revenue estimated at £40 million £14.7 million is available to finance the capital programme. Submissions for capital expenditure reached £20 million subsequently reduced to £13.9 million by the Standing Finance Committee, and by the rescheduling of expenditure for the new senior school.

At this point, before the Select Committee, a surplus of £800,000 at 30 June 1992 is forecast.

The Treasury Department itself, other senior staff changes have occurred. The Deputy Financial Secretary is now Mr Richard Wagner who will fill the role of Economic and Financial Adviser and include work previously undertaken by the Chief Development Economist. Mr Peter Biggs is now Deputy Financial Secretary Designate. Mrs Moira Eccles, formerly Chief Clerk in the Secretariat, takes over the position of Income Tax Officer.

The computerisation of the Treasury continues well, providing financial management information to heads of departments to help with their financial control.

The computerisation of the Income Tax Section is complete. The recent tax review, leading to changes in tax legislation, has meant that this section has had to cope with an increase in workload during the year. A complete replacement of the Income Tax Ordinance to incorporate further reforms is programmed for later this year.

### Central Store

The Central Store has also completed its computerisation which has proved its worth in stock control. A new Central Store site has been identified at Gordon Lines; this will combine a storage and issue facility for all stores. The construction and occupation of this is programmed for 1991/92.

### Fisheries Department

The major event for Mr John Barton and his staff has been the introduction of the Falklands Outer Conservation Zone (FOCZ) effective on 26 December 1990. All commercial fishing is prohibited in this area. It extends to 200 nautical miles from coastal base lines to the north, east and south of the Falklands. It followed discussions on fisheries conservation between HMG and Argentina which also resulted in the creation of the South Atlantic Fisheries Commission, a forum for the discussion of measures to enhance conservation in the South Atlantic. This met first in Buenos Aires between 20 and 22 May and Mr Barton attended.

Escapement of the squid species *Illex Argentinus* in 1990 was about 20%, far below FIG's objective of 40%. Voluntary restraint has been continued and with the introduction of the FOCZ it is estimated that escapement in 1991 could reach 30%, a marked improvement. There is scope for further progress of course but this requires reduction in fishing on the high seas. Loligo and Fin Fish are also monitored; fishing effort has been reduced where necessary. It appeared that early closure of the current Loligo season would be required; but it has been possible to avoid that.

In fisheries protection, the Dornier aircraft, operated by Bristow Helicopters, was replaced by two Islander Defenders run by FIGAS. These have provided wider and more effective surveillance. The two fishery protection vessels from Marr Vessel Management have also given good service.

Research into the principal fish and squid stocks continued. Among fishery projects was a contract with the British Antarctic Survey to examine the little known early life history of the two main squid species. This involved the Falklands Protector in a survey from the Falklands as far north as Uruguay. Close links with Imperial College have continued.

An FIG delegation (including Councillor Binnie) visited Japan in August to discuss with the main Far Eastern FICZ participants the Governments concerns on *Illex* conservation. The visit also provided valuable experience of the Japanese fishing industry. Councillor Binnie was the first elected Member to attend licence negotiation meetings in London. Councillor Rowlands attended the January discussions brought about by the FOCZ introduction. There have been two successful prosecutions for oil pollution offences.

#### Customs and Excise

Revenue collected so far by this department under Mr Les Halliday this financial year has been:

Import duty:	£297,820
Harbour dues:	£364,442

both figures are considerably less than last year. 1,136 vessels were cleared up to 6 April. About 526 less than the same period last year. The reasons for this are the reduction in fishing licences issued and reduced use of Berkeley Sound and Port Stanley by the fleets.

#### Immigration Department

Miss Smith reports that her department dealt with about 6,000 people arriving or departing through Mount Pleasant or Stanley airports. 36 different nationalities were involved.

37 applications from new immigrants were dealt with including 10 children. A number of residents and their families were welcomed back from overseas. Eight people were refused entry.

12 cruise vessels were dealt with as were numerous queries from people overseas; many passports and visas were issued.

#### Agriculture Department

Headed by Mr Owen Summers.

A rapid decline in wool prices has been a major source of anxiety, with the emphasis on assisting farmers to survive this all time low; rather than the normal development advice and

support.

Agricultural training was again popular; 23 adult courses were provided. One of the highlights of the year was the exchange visit to Australia for two trainees after their 12 months practical training. The return visit of two Australians will take place later this year. It is hoped soon to arrange for two more Island students to visit Australia. The department are providing assistance to the education department on the technical parts of the new GCSE agricultural syllabus.

The Veterinary Officer has again run a programme of artificial insemination, with 500 ewes inseminated this year, and one of brucellosis testing on 5,500 rams. That problem has not yet been eradicated but there has been a marked decrease of incidence of it.

Research has progressed with the new phase of white grass trials at Fox Bay from the end of April. Last year's work at Port Stephens produced discouraging results; the work has therefore been extended to cover a wider range of minerals analysis which should be more productive. Research into the grazing habits of Cashmere goats on Falkland pastures has begun at Goose Green; some management and husbandry difficulties have emerged.

#### Falkland Islands Development Corporation

Under the General Manager, Mr Mike Summers.

Amendments to the Corporation Ordinance were agreed in principle by Councillors; in the new financial year the FIDC Executive Board will report directly to Executive Council, instead of to the Corporation Board which will be abolished. It is hoped that this visibly democratic accountability will allay old and unnecessary fears about the Corporation working outside Government policy guidelines.

Since my last Legco address the Corporation has processed, analysed and approved funds for:

- 20 Enterprise Grant Applications
- 7 New Business Projects
- 6 Existing Business Expansion Projects
- 18 Individual Training Courses
- 3 Major Training Courses in the Islands
- 8 of its own projects

As well as all that it has provided management and advisory services to four majority owned subsidiaries and eight associate companies.

Notable amongst FIDC's own projects were the importation of the trial flock of the Cashmere goats, which I have just mentioned. It would be a major step forward if these could be successfully run with sheep as a second cash crop.

The co-organisation of a Trade Delegation to Chile and Uruguay with the Business Association was a successful exercise, apart from one hiccup over its return. The supply time from the United Kingdom to Europe to the Falklands and stocking costs are a burden and expense to Island businesses and the public; the ability to re-supply some products quickly and economically from Chile or Uruguay would stimulate Falklands business, and keep down the cost of living.

The Development Corporation has assumed management of the old Lookout Camp site for FIG for the development of retail outlets, and storage and light industries. Demand for work place accommodation is high, 20 single portacabin offices/workshops or packaways are being



sold, leased or rented. Work has begun on tidying up the site and by the spring of 1992 the major buildings will have been re-painted.

The Corporation has taken the initiative in setting up two important advisory bodies. The Falkland Islands Textile Association was formed to provide a forum for organisations and individuals involved in processing Falklands wool; it has particularly been requested to produce ideas for Falkland designs, a crucial element of future marketing strategy. An Energy Advisory Committee has been formed to consider the development of renewable energy. The Falklands imported fuel bill is almost £3 million a year, and consumption is rising by about 10% per year. The Committee will advise FIG on energy management and fuel saving.

The performance of subsidiary and associate companies has been mixed. Poultry Products Ltd. was closed down and the assets sold to Mr Geoff Pratlett who is now producing eggs on a semi free range basis. Falkland Mill is on its planned path to recovery; improvements in quality, style and marketing should lead to break even within the next year. Stanley Growers does well; expansion into outside crops will begin to satisfy local demand for root vegetables and brassicas.

Tourism, however, suffered; the Gulf war and world-wide recession drastically reduced the numbers of overseas visitors; and this affected the profitability of the major Camp lodges and hotels to a degree that a subsidy payment became necessary. It remains to be seen whether visitor numbers from Europe can be regained. Marketing effort will be directed at this but in the meantime regular flights from Punta Arenas give us access to a wider market, and the issuing of a Falkland Islands travel warrant to military personnel should increase demand for local facilities. Falkland Islands Tourism Ltd. ceased to trade and was replaced by the Falkland Islands Tourist Board; membership of this consists mainly of people whose livelihoods depend to a significant extent on tourism. It is hoped that this will bring greater commercial awareness to the promotion of tourism here.

The number of tourists coming to these Islands is small and the relative cost of our promotion of tourism is high. We hope that in a normal year figures will improve. I am firmly of the view that tourism of the kind we get is an asset to these Islands. Tourists bring a breath of fresh air; and we hope they take away a favourable and well informed view of these Islands and spread that information wherever they come from. The numbers may be small, but we need support of that kind.

Training for school-leavers and adults remains important to the Corporation. Progress has been made in co-operation with the Scholarship and Training Awards Committee in establishing terms of reference for vocational training programmes, and with the education department in collecting distance learning material for public use.

Three major vocational training courses open to the public were held. A one week hotel management course run by the University of Surrey at Pebble was followed in December by a two week management training course in personnel, finance and organisational management by Middlesex Polytechnic which 65 people attended. Follow up to this course identified the need for more training in business accounts, and a course run by SAGE plc attracted 20 students. This highly rewarding course covered account record keeping, spreadsheet development and business planning.

In addition to close co-operation in training, Corporation staff are ever more involved in Government Committees and Working Groups, a welcome development in ensuring that commercial interests are represented in Government policy making bodies and that greater understanding between the public and private sectors is achieved.

## Education Department

Headed by Mrs Phyllis Rendell.

The Education Ordinance became law in January 1990 and the department now enjoys full parental participation in education policy making through School Managers Committees, a Training and Awards Committee and the Education Board.

The new senior school project went out to tender in mid-1990, but because of a reduction in funds a re-drawing of the buildings ensued. The classroom block, assembly hall, caretaker's house, education office, pavilion, and engineering works, including the surfacing of Reservoir Road were omitted, while the sports hall will now double as an assembly hall with a portable stage. By mid-September the successful contractor, Gordon Forbes, was on site and work began; as we have all seen it is going ahead very fast. The complex, including sports facilities, public library, a playing field and running track, is due for completion in mid-92, and should offer something for everyone in the community; from sport to cookery classes, or just a meeting place to view activities over a snack in the coffee shop.

A Foundation Stone plaque was unveiled by HRH The Duke of Kent in October.

The Stanley schools: over the last twelve months both heads of school have maintained high standards of education. They have been supported by a very professional staff, with special needs, music and PE becoming established posts in the schools.

The Junior School extension greatly improved activities and working conditions; the new hall became a popular venue for numerous events. Both schools held open days, drama and musical productions, as well as displaying excellent art and craft work in the annual Susan Whitley Exhibition. There has been strong emphasis on community work by the young people.

On the academic front, the reading test results of primary children reveal a wide range of abilities, with most children receiving average or above scores. The Senior School GCSE results have been encouraging, the school also entered students for other public examinations including Pitman's, and the Royal Society of Arts and Associated Examining Board tests, with good results. Seven students joined five from the previous year at Peter Symonds' College for GCE A Level, two students are studying at private schools.

Camp Education is in good heart though the number of pupils in settlement schools has declined resulting in the closure of one school, while the number of isolated locations continues to increase. The use of computers has had a considerable impact on the quality of education in the Camp, organised visits to Stanley and elsewhere by young children have been encouraged. Reading results are good, children aged 10-11 transferring to Stanley schools have adjusted well.

The School Hostel. 1990 saw a full programme of activities for evenings and weekends for Stanley House students and staff. Numbers have decreased as families have moved to Stanley. The number of boarders averages 35. The hostel has been refurbished and re-painted; better use has been made of space in the grounds.

Further Education. 104 people enrolled for evening classes or enquired about correspondence courses. This foundation will be built on in the new school complex, where facilities will allow for many more courses.

Four students have gone on to universities and colleges of higher education; several FIG staff have undertaken in-service courses. The British Council has supported these students, but by

1992 the FIG will be responsible for such funding and student placing and direct links with colleges are being sought.

The Swimming Pool enjoyed an almost trouble-free first year of operation. A number of local people have become qualified life-guards; we should soon see the entire school population able to swim. Many adults too have learnt to swim and enjoy the Pool. A successful town gala was held in mid-1990; other school galas have taken place. HRH The Duke of Edinburgh attended one such during his visit in March of this year.

#### Posts and Telecommunications Department

Under Mr Jimmy Stephenson - Mrs Marge McPhee Acted during his recent leave and has supplied the details I am about to give you.

A slight increase in mail volume has occurred as more people have come to the Islands. Staff are giving good service in poor working conditions. Shortage of letter boxes is a problem, but the new ones are here, and await installation. The six new post boxes have arrived, and we expect them to be in use soon. Revenue so far is above the current estimates.

#### Philately

In philately there has been a down turn over recent years in philately in the world at large but there are signs of improvement. The Philatelic Bureau has enjoyed a reasonable year, and our stand at the "London Stamp World 90" no doubt contributed towards that. With some resurgence now it is a good time to think of ways of improving on what we offer and we are doing this.

#### Mount Pleasant Post Office

The Mount Pleasant Post Office has done well. In addition to providing a full postal service to the 300 or more civilians working there regular philatelic sales of Falkland Islands, South Georgia and British Antarctic Territory issues take place.

#### Telecommunications

On telecommunications the situation is still disappointing. We keep in regular touch with Cable and Wireless. The delay in completing the Camp telephone system results in a substantial bill for the department which still has to pay for 15 hours a day listening watch. No change too in the amateur radio situation. We await expert technical advice before we can produce legislation.

#### Broadcasting

A significant year for the FIBS under Mr Patrick Watts with an extension constructed by the PWD and £170,000 worth of new equipment installed by SSVC, the first capital expenditure by the Government on FIBS for 35 years. The previous equipment had long outlived its life expectancy.

The excellent co-operation existing between FIBS and BFBS since 1982 was much in evidence during the purchase and installation of this equipment. With SSVC undertaking the project there has been a saving of around £50,000. Mr Brian Scott, Development Engineer of SSVC and his staff deserve our thanks. Cash saved this way will be invaluable in refurbishing the old building and providing a news-room, library, reception area, manager's office and archives, all of which are now in two rooms. The new equipment is much appreciated by listeners, particularly during the fortnightly phone-in programmes which it is hoped will be a regular FIBS feature.

The department were sorry to lose the services of Mrs Sarah Lurcock recently. She not only coped with the demanding morning request show, but also ran interviews, and magazine items and travelled around the Islands for FIBS. Her week attachment last year to BBC Radio Stoke, at no cost to FIG, was another example of the good relationship between FIBS and BBC local stations.

The arrival of a fax machine has meant that British newspaper articles relevant to the Falklands can be regularly received by FIBS and used in news programmes.

#### The Media Trust

Under the Chairmanship of Mr Graham Bound has been active this year; other members of it are:

Mr L J Butler,  
Mrs G Cockwell,  
Mr C Keenleyside and  
Mrs A Etheridge.

Penguin News' expenditure on the purchase of a new computer editing system and equipment to up-grade the paper and its office was supported by the Trust, as was the concept of a training package for the Penguin News reporter, Miss Leona Vidal. The Penguin News is now known as a reliable and accurate newspaper. It is still the aim of the Editor, supported by the Trust, that Penguin News should issue weekly; the paper might then become self-supporting.

The Trust was able to pass on to FIBS and comment on suggestions for improved educational broadcasting and also co-operated with FIBS in a phone-in programme. The Trust also advised on a listener survey and canvassed opinion on "Calling the Falklands" at my request. The Trust remain ready to receive views of the public about the sort of newspaper and broadcasting they want. That is a key part of the Trust's role.

#### Civil Aviation Department

Headed by Mr Gerald Cheek.

The Stanley Airport perimeter fence was erected and the construction of the 330 metre cross runway completed. The latter task was successfully carried out by the PWD in August and September and has much improved the scope of aircraft operation. The PWD are assisting in the installation of the runway lighting which it is hoped to have in operation within a few weeks. This will depend on the arrival of the lighting equipment ordered last July.

The Aerovias DAP service made 11 visits carrying approximately 77 inbound passengers and 121 outbound. The United Kingdom Department of Transport issued a temporary operating permit in April for DAP to operate a scheduled service on the Punta Arenas/Stanley route. The Ministry of Transport and Telecommunications in Chile has authorised DAP to continue flying the route on a scheduled basis.

In the twelve month period the airport handled 2,062 FIGAS aircraft movements and 6,054 passengers.

The percentage increase of movements was 27 but the number of passengers decreased by 11.4% over the previous year.

Work proceeded on Camp airstrips; two new ones, one at Saunders and the other at Keppel,

opened. Other potential sites have been examined and the department has received a request from the FIDC to look for one on Sea Lion Island closer to the Lodge.

#### BAS Aircraft

Mr Cheek visited Canada in January to discuss with his opposite numbers there authority for the BAS new Dash 7 aircraft modifications for its Antarctic operations. The aircraft is to be operated from Stanley Airport to the new airstrip at Rothera Base in the Antarctic, perhaps beginning in the next summer.

Mr Kevin Toal from the U.K. Civil Aviation Authority, visited the Islands in March and was well satisfied with what he found.

#### Falkland Islands Government Air Service

Headed by Mr Vernon Steen.

Patrolling by the two purpose equipped Islander Defenders on fisheries surveillance began on 15 July. The addition of the FOCZ in December has not detracted from the patrolling capability. Some 1,500 hours have been flown so far with present utilisation at 80 hours a week.

Passenger operations have provided an excellent service as usual with seven day operations throughout the year. Weekend flying has shown only marginal increase in passenger traffic. Some 8,000 passengers will have been carried throughout the year and 1,500 hours flown.

The Engineering Section suffered a reduction in manpower through internal promotions. This made an acceptable rate of aircraft serviceability difficult. The staff of the section are to be congratulated for their dedication. Two contract engineers were engaged to help at a crucial time. Two engineers currently undergoing training in Scotland should complete their courses by June 1991 which will be a great help. Captain Andy Alsop will leave in mid June having provided invaluable service during his two-year contract. We shall be sorry to lose him, particularly after his long acquaintance with these Islands. Derek Clarke completed his training and joined FIGAS in July. We hope to welcome back Geoff Porter and Roy McGill in the near future.

#### Falkland Islands Government Office

A busy year for Miss Sukey Cameron with visits by all eight Councillors, some more than once, and numerous other visitors. Many of these visits involve the setting up of meetings with Members of Parliament, the Media and other organisations. Contact generally with Members of Parliament has of course been a priority for FIGO. Lunches at FIGO have been introduced for this purpose and 22 Members of Parliament have attended them so far. In July Miss Diane Cheek was appointed Administrative Assistant in charge of recruitment, Miss Barbara Steen took up the post of Personal Assistant to the Representative. In February Miss Carol Morrison left the office after 18 months as receptionist and the post was taken by Mrs Tracy Chamberlain from London who is also assistant to the Falkland Islands Tourism Representative. Very sadly Mr Phil Summers, accountant at FIGO since 1984 died suddenly at the end of March. This has been a severe loss to the office. Not only did he have a thorough knowledge of the workings of the Treasury but also of Islanders and the Islands. Miss Anna King has been appointed to the recently created post of Deputy Representative. With her arrival the staff will be at full strength.

The FIG stand at the two main Party Conferences in November received much attention. The presence of Councillors Mrs Edwards and Binnie added to the value of this.

FIGO has succeeded in filling all posts requested by the Establishment in recruitment. This has saved us much time and money.

There has been an increase in the number of civilians wishing to travel to and from the Falkland Islands.

The Representative has kept in regular touch with the various Falkland Island related organisations and attends meetings of the Association, the Trust, the Foundation and the South West Atlantic Group.

This year saw a change of name and personnel for the FCO Falkland Islands Department. A close relationship is still maintained there of course and there have been frequent meetings with the Minister. Mr Garel-Jones, as we recall, visited these Islands in February.

Unfortunately, the proposed visit of Members of Parliament to the Islands in that month had to be postponed because of the Gulf war. But the visit is rescheduled for December.

Much assistance has been given by FIGO to radio and TV programmes especially those directed at the commemoration of the 10th anniversary of the Falkland's conflict. FIGO continues to be a well established and well recognised point of contact for all with an interest in the Falkland Islands.

#### Public Works Department

Headed by Mr Brian Hill.

As well as the normal duties of the Public Works Department in keeping Government owned buildings, roads and services maintained, generating and distributing electricity, producing and distributing drinking water, advising on building design, allocating peat bogs for fuel, and sadly, burying the dead, 1991 saw the start of two major PWD controlled projects, the new senior school and the road from MPA to Darwin and Goose Green. The 29 mile Port Louis road was completed, the new FIBS studios were built, the B-Slip was reconstructed, the supply of high voltage electricity to Stanley Airport and the resurfacing of the Stanley by-pass and the road to FIPASS were achieved. The quality of work performed and controlled by the PWD has been recognised in that the department was nominated for awards in three categories of the Beautiful Falklands Awards by the Falkland Islands Tourist Board.

This essential workhorse department continues to serve us well. Inevitably, given the range of its tasks and the difficulty of satisfying all its customers, it attracts criticism at times; it also attracts considerable and well deserved praise.

#### Planning Department

Headed by Mr Roy Carryer.

The Planning Bill debate was wide ranging; several major changes were made. There was understandable concern that the Bill would impose unnecessary bureaucratic controls. But the Bill as finally passed should result in improved environmental standards and greater public involvement in decision making without unacceptable restrictions on individual freedom. Indeed, one result of the new Ordinance has been the injection of democratic control into building and planning matters. The new Committee consists of elected Councillors and members of the public. Decisions on these matters by Government officials is much more a thing of the past. The Bill is a form of legislation which no society nowadays can afford to be without.

## Fire and Rescue

We continue to be well served by our largely volunteer fire service under Mr Marvin Clarke. During the year the Service dealt with 130 calls and these included:

- 6 major fires involving houses or buildings
- 19 chimney fires
- 9 road accidents (2 of which required rescue equipment)
- 10 grass or peat fires (1 of which was on Onion Range)
- 48 fire cover for helicopters
- 23 fire cover for Stanley Airport
- 15 miscellaneous calls (such things as roofs blowing off, fire alarms sounding)

Fortunately the year passed without any loss of life or serious injury in this inevitably dangerous profession. As Members will be aware, the Government has just arranged much increased insurance cover for the firemen.

## Falkland Islands Police Force

Under Mr Ken Greenland.

The year brought two long awaited events; affiliation to the Devon and Cornwall Constabulary which has resulted in improved training, procurement and assistance; and the report on the FIPF by the Deputy Inspector General of Dependent Territories Police, Mr Dinsdale.

Mr Dinsdale considered that the force was under established for the work it was asked ideally to do. He made a number of recommendations of which those within the Chief Police Officer's power of implementation have been implemented.

The Force continues to achieve very creditable results. In 1990, 387 cases were investigated. 365 were substantial offences; the clear up rate of those was 67%. Of the cases investigated 8% were public order offences, 32% crimes against property, 8% crimes against a person including 22 woundings or serious assaults. 45% of cases involved traffic accidents and infringements. Especially disturbing in the crime figures was the appearance for the first time of high value burglaries in retail premises with one case which in journalistic terms would be described as a "smash and grab" raid. We are uncertain of the reasons for this unsettling evidence of criminal trends.

It is not sufficient that the Police have a good detection rate. A consistent Police presence and the public knowledge of it are the best way of preventing crime. Community policing and the man on the beat are seen as particularly important. The Police are now funded below the recommended establishment of Constables and they achieve what they do by use of overtime and reserves. If the community is getting the policing it wants, well and good. If not there is an option. The help and support of the community is an important additional element of course in defeating crime.

Of the total Police effort, about 60% is devoted to matters related to infringements of law. The rest goes on service calls; requests for assistance from the public; lost children, and in mediation in domestic disputes. Events in this category included the saving of life by Police Officers on two occasions, one in a medical emergency, the other when a man's hair and clothing caught fire. On a night in September the Force dealt simultaneously with three May Day calls from ships and rescued three people stranded in blizzards in the hills around Stanley. The Force handles over 300, 999 calls a year, mostly for other emergency services. The identification of a body recently recovered after five weeks in the sea was another job for the Police Force.



Special duties in the period have included two Royal visits and the Argentine next of kin visit, all requiring detailed planning and considerable manpower.

The year saw the promotion of Sergeant Morris to Inspector, replacing Inspector Bullock, and the promotion to Sergeant of PC Didlick. For the first time in over two years the Force has all its senior appointments filled. As the Chief of Police has pointed out, stability within the Force in personnel terms leads to the increasing levels of experience, understanding and competence required for the mature policing that everyone in the community wishes to see. Morale in the Force is high. We are well served by it.

### The Falkland Islands Defence Force

Headed by Major Brian Summers; is also in good heart.

An effective campaign has yielded 15 recruits, bringing the total number of the FIDF to 51; the arrival of our permanent staff instructor, Mr Hanlon, has also had a positive influence; average attendance is now 30 per training night.

FIDF has benefited greatly from increased interest shown by the Garrison under the previous and present Commanders. A very successful training exercise was recently held in Shag Cove to which the RAF, Navy and the RIC (Resident Infantry Company) all contributed. I very much welcome the added realism and relevance given to the FIDF by this activity as indeed does the FIDF itself.

The Force now look very smart in their new blue dress uniforms as I am sure all members of the public will have noticed. A dress uniform for the female members is under consideration.

The new rifle range is regularly used, not only by the Force and the Rifle Club but also the Pistol Club.

The Force will be putting out a spirited challenge next weekend to recover the March and Shoot Trophy and I am sure we all wish them well in that.

### Medical Department

Headed by Dr McIlroy.

During the year 5,519 out-patients were seen, an increase of 7.5% over the previous year. Admissions increased by 7.1%, from 825 to 884.

Difficulty was experienced in recruiting Doctors on long term contracts and we have been ably assisted by several locums to cover the medical service.

The newly created post of Medical Department Administrator was filled by Mrs Candy Blackley in October 1990, she took over the daily departmental administration previously dealt with by Major Lock.

Dr Elsby arrived in early December on a two-year contract, accompanied by his wife Dr Paver who is continuing the weekly well woman and baby clinics which are proving to be very valuable to the community.

Dr Jones arrived in mid March, initially on a six month contract, accompanied by his wife who is employed as a Nursing Sister. Miss Cheryl Cox and Miss Amanda Pearson, two Midwifery Sisters, joined the staff in December.



Mr Williams, the Dental Officer, and Miss Broad, the Pharmacy Technician, arrived on two-year contracts in February.

Dr Diggle has been recruited for the post of Chief Medical Officer and will take up his duties on 2 July.

As ever we have had essential and invaluable support from the RAMC and the QARANC.

New x-ray equipment was installed in April.

Medical Specialists in ear, nose and throat, gynaecology and ophthalmology visited the Islands, 701 patients attended those clinics. A further programme of specialist visits is a high priority.

#### Legislature Department

Headed by the Clerk of Councils, Mr Anton Livermore had a very busy year.

Four Legislative Council meetings have been held since the last Budget meeting; in the previous year there were three.

The number of Bills passed in 1990 was 14; 302 separate memoranda were considered by Executive Council compared to 255 in the previous year.

The number of Executive Council meetings since the last Budget was 15; in 1990 there were 13. Overseas visits by Councillors numbered eight. Close links were maintained with Commonwealth Parliamentary Association.

As Honourable Members and members of the public will appreciate, the role of the Attorney General and his Chambers is central to all of this. There are few issues in Exco or Legco which do not have a legal element. The amount of work and responsibility in producing legislation is prodigious and I make special mention here of David Lang and his team.

#### Justice Department

The volume and complexity of the work of the Courts is increasing. There were during the year no crimes to be tried before the Chief Justice and the Jury. However the longest civil trial, the Fu Chun case, ever known in the Islands was heard by the Chief Justice. Both sides were represented by Counsel from overseas in what may be an important case in the common law legal system. That is to say important not only in the Falkland Islands but throughout the Commonwealth and in the United States. We are accustomed to reading and hearing about the criminal cases dealt with by the Senior Magistrate. But cases in which she deals with difficult problems relating to matrimonial disputes and the custody and welfare of children receive no publicity. I pay tribute also to the un-stinting and unpaid service given by the Justices of the Peace.

The volume of registrations having to be dealt with by the Registrar General grows all the time. It is work vital to the functioning of our legal section. At present the Registrar General who also functions as Clerk of the Courts is processing the recent census returns. The Printery as ever continues to give excellent service.

#### Museum

Britannia House under Mr John Smith continues to be a main attraction for visitors who enjoy its unique atmosphere of informality and the historic perspective it offers. All are

impressed by the range and variety of history in such a small Island community.

Public support for the Museum is shown by the number of items on display. Among the valuable pieces on loan now are the £5 note presented by Admiral Sturdee to Private Chris Andreason of the Falkland Islands Defence Force for sighting the German Fleet in December 1914, and the OBE presented to Mrs Creamer of Fitzroy for her part in relaying its movements.

Another splendid acquisition is a large map of the Islands of 1792 for which funds were provided by Seafarer Marine Services Ltd.

The Museum works closely with the Alastair Cameron Memorial Trust which built the stone cairn on the Public Jetty commemorating the landings of two Dukes of Edinburgh which was unveiled by the Duke of Kent. Another aim is the re-furbishment of the Camber Pumping Station. A similar project in which I confess a strong and personal interest is the restoration of Cape Pembroke Lighthouse. This is going well. The site has been cleared, the lighthouse painted, two stone seats built. Replacement of the lantern glass is next. Eventually we hope to have the light back in the tower.

The Museum works closely with the Historic Buildings Committee in the documentation of buildings and sites of historic interest. It is encouraging to see the awareness and pride now shown by the people in their heritage. Two tasks coming up are the archaeological survey at Port Egmont and further work on wrecks and hulks.

The anniversaries occurring in 1992 involve a great deal of research and ground work in both museum and archives.

Much of the Museum's work could not be achieved without the Falkland Islands Trust. The military have also provided admirable support in many projects. We are most grateful to both.

Because of the wide range now encompassed by the Museum, Exco has agreed that consideration be given to forming a Falkland Islands Museum and Heritage Trust. When legislation for this has been completed and agreed the Museum will be able to function more effectively as a central repository of information and as a supervisory body ensuring the efficient deployment of resources in that field.

Honourable Members, that concludes the review of Government departments. I would now like to thank on behalf of all of us in these Islands the Commander British Forces and all who serve under him here or are associated with him in the United Kingdom for what they do for the Falklands. The Garrison are our guarantee. With them here we are able confidently to continue our existence, to make plans and look forward to their fulfilment, to feel that it really is worthwhile to treasure these Islands and value our life-style in them. Not only that, but the Garrison adds so much to our lives, in our ceremonial occasions, in our hospital, in our sporting events, in their incredibly generous participation in fund raising, in the various engineering projects they undertake. We hope that their time here is rewarding professionally and enjoyable, though we appreciate that for some their Island interlude away from home and family under perhaps austere circumstances, is not perhaps what they want. It is becoming easier for members of the Armed Forces to travel around the Islands now with the FIGAS warrant and I would urge all who are here to get out and about as much as possible and discover the warmth of Island hospitality. Members of the Forces who wish to become involved in aspects of life in Stanley are always welcome to do so. They should not hesitate to make this known; the Liaison Officer can assist them.

I would also like to thank the Commander and Garrison for the way in which they dealt with

the complex and difficult operation of the Next of Kin visit. The humanity and competence shown enhanced the reputation of the British Armed Forces. It brought consolation to many bereaved human beings.

Honourable Members, the year ahead looks stimulating. In 1992 we celebrate a number of important anniversaries including the 400th anniversary of the first sighting of these Islands on 14 August 1592. The Heritage Committee is working on a programme and has drawn up an impressive list of distinguished guests to be invited. There should be a considerable media interest. We shall need to continue the efforts we have been making with considerable success further to tidy up Stanley and parts beyond.

Links with South America are slowly firming up, the DAP flight has now been going successfully and there have been numerous visits by sea from Chile. In the long term there is oil or there may not be. Mr Garel Jones told us that he thought surveys could be under way within twelve months of his visit here. We cannot expect however that there will be much prospect of income from oil, even if it is there in exploitable quantities, for about ten years according to the advice we have received. This is the time taken on average from the start of exploration to exploitation in the North Sea. I suppose it may be reduced nowadays by technical advances but that is the advice we have received.

Honourable Members, another event in 1992 will be, unless it takes place in 1991, a general election in the United Kingdom. The Islands have received strong, un-wavering support from HMG since 1982 for which we have all been grateful. We must continue to do all we can to see that future Governments, of whatever complexion, continue that support. We shall need to be constantly on our toes, as we try to be now, to refute myths about these Islands. One can inevitably tire of refuting the same nonsense over and over again but one must not. That the Islands are rich; that the cost of the defence of the Islands is a great burden on Britain; that links with Argentina are an economic necessity to the Islands; that the Islands are an obstacle to British policy and many more. We must always be ready to set out our case firmly. It is a good one and it must not go by default but we have to be careful at the same time not to appear as unreasonable or obstructive. It will not be easy.

Honourable Members, I wish you well in your forthcoming deliberations and thank you for your patience in listening to a long speech. Thank you very much.

#### **MOTION OF THANKS TO HIS EXCELLENCY ON HIS ADDRESS TO COUNCIL**

The Honourable R E Binnie:

Your Excellency, Honourable Members, thank you Sir, for your address and I would just like to make a few comments.

The purchase of the FIC farmlands will no doubt prove to be in the years to come one of the most important decisions taken by this Council, a decision which will benefit the farm employees, the local community and the Falkland Islands.

The computerisation of various departments continues, but at a significant cost; one was led to believe that introduction of computers would produce more efficient departments, the staff levels remaining constant; this does not appear to be the case with each year numerous requests for additional staff.

The introduction of the Falklands Outer Conservation Zone came about only because of continuous efforts by the past and present Councillors and other friends of the Falklands, the FCO should not be given the impression that they have done us a great favour. Like the introduction of the FICZ the extension to 200 miles was almost too late; we are at the present living in

hope that sufficient stocks of squid will escape so as to ensure the future of the species and of the fisheries.

I must congratulate everyone concerned who have proved that the Islander Defenders cannot only do the job of surveillance but have done it far better than the Dornier aircraft.

FIG must continue to reach voluntary restraint agreements with foreign fishing fleets; we must continue with the policy of reducing the fishing efforts south of 45 degrees during the migration of the immature squid.

Cable and Wireless have now got the micro-wave telephone system working, it is working well, I thank them. They have assured us that they are purchasing new charging units for the VHF system. I cannot accept Mr Measures recommendations that the system be accepted with written provisos, the system must not be accepted until it has been tried and proved. Thank you Sir.

**The Honourable H T Rowlands CBE:**

Your Excellency, Honourable Members, I rise to support the motion of thanks. I note that more talks between Britain and Argentina are to take place in London next month and I eagerly await details of the agenda for this meeting. I feel strongly that consideration of any closer links with Argentina must await Argentina dropping the claim to sovereignty of the Falkland Islands.

I am pleased to note that the Islander Defender provides more effective surveillance than the Dornier, but I am alarmed at the behaviour of some of the Taiwanese fishing fleets. I do believe that we need to consider more effective means of controlling the fishing zones, perhaps by placing arms and ammunition on the patrol vessels.

It is encouraging to note the growth in the population and I am looking forward to studying the census report and hope that the increase is attributable to a rise in the younger generations.

There are a number of issues that cause me concern, in particular, the possible implications of the EEC. I am disappointed that the information paper on this matter promised to us by the Minister of State at the Foreign and Commonwealth Office, Mr Garel-Jones has not yet arrived.

I am pleased to note that the progress on the infrastructure, in particular, the speed with which the construction of the senior school is advancing. There has also undoubtedly been good progress in re-surfacing Stanley roads, I congratulate PWD on this move forward and trust that it continues when the weather improves. In this connection I have a number of detailed proposals to put to the Director of Public Works. It has recently been brought to my attention that there are no side walks between Callaghan Road and Davis Street; inclusion of side walks will be safer for any children living in this area. I will be writing to Mr Hill on this matter shortly who I have already found very responsive to calls for improvements.

Whilst talking of improvements a constituent recently took me on a tour of the Peninsula, he pointed out some areas of pollution and debris, the area beyond Surf Bay is much frequented by Stanley residents for pleasure especially on the weekends and I agree with my constituent that we should rid ourselves of this debris and pollution in this area and maintain it as a green area. If we leave it in a good state for future generations then one day we may find it has been declared a national park. Of course there is no objection to Stanley Airport remaining there; it will be rather a unique park; but it does have Penguin Walk and also the Cape Pembroke Lighthouse, which you referred to in your address.

In 1992 you mentioned that we will be having a Heritage Year. I have had some pleasure in Chairing the meeting of this and the members of the Committee are very busy to ensure that each event is properly celebrated. I would like to warn Councillors that if we are going to have a Heritage Year let us do it properly, but it does mean expenditure and I will be speaking in Select Committee to Honourable Members on this point for some further inclusion for provision in the forthcoming budget.

I am pleased that an Energy Advisory Committee has now been set up. I think that with the natural resources here of the peat and wind I think it seems alarming that we are importing fuel at the rate of £3 million a year and rising 10% each year. I think we must give every support to the new Energy Committee and I trust that they will be forwarding their proposals for savings in the near future.

I was pleased to see the Falkland Islands Defence Force being on parade this morning; they certainly looked very smart and I must congratulate Mr Hanlon on their training; it is very encouraging that more people are taking an interest in the Defence Force and I hope that goes from strength to strength.

I also support you in your praise for the Commander British Forces and the Navy, Army and Air Force in the area. I find it very good that I can sleep safely at nights with no thought of any incursions from any intruder. However, I do think that other areas they certainly do well in is the medical department, which I have some responsibility for now, and I must say that they give us very good service.

Your mention of the Falkland Islands Government Office was appropriate this morning. I find Miss Sukey Cameron and staff, most helpful when we are in London on business there; they really do help us a great deal and I am very very pleased for the service.

Finally I would like to mention the Swimming Pool, I am pleased that this has taken off the way it has done and it is going to be most encouraging when every child in the Falkland Islands can swim. I am afraid I am frightened of the water, I will never be able to, but I have encouraged that and I will continue to encourage it as much as possible, I realise that it is costing us a quite a substantial amount, but I think it is money well worth spent. I beg to support the motion Sir.

**The Honourable Mrs Norma Edwards:**

Your Excellency in rising to support the motion of thanks, I too would like to extend a welcome to the Financial Secretary at his first budget session and to congratulate him on producing the budget during a very busy time for him and his colleagues. When as well as having to balance the budget for the Islands they had to cope along with the Legal Department with a great deal of paper work pertaining from the purchase of the FIC farms; this is a time when he hardly had a chance to draw breath in his newly appointed job as Financial Secretary, and I think he and his colleagues have done a tremendous job. I thank them all in the Treasury Department for their hard work.

You mentioned Fisheries Sir; I have to say that I don't feel that voluntary restraint works very well, the countries who abide by the code of voluntary restraint are those countries who abide by the rules anyway, namely the Poles and the Japanese. The fishing vessels who constantly poach are the Taiwanese and I feel that we will have to, in the future, be far more forceful than we have been in the past in enforcing our fisheries laws. I also believe that we should be pursuing help from the British Government to press the fishing nations of the world for legislation to protect the marine stocks, in all fishing grounds in the world, not just in the South West Atlantic. I would like to see an International Fisheries Law just as we now have an International Maritime Law and this can only be achieved by Governmental agreement between

various countries. I think we should be asking the British Government to pursue this course as well as continuing to ask for voluntary restraint from the vessels fishing in our waters; because if vessels continue poaching in the FOCZ, as they have been during the last season, we may very well in a year or two be sitting around this table talking about a vastly reduced annual income from fishing and wondering how we are going to make ends meet.

May I also say Sir, how sad I was to hear, that whaling is going to be continued by some countries yet again. In the past the Falklands was one of the first places in the world to start asking for a ban on whaling, that was in the 1930's. Prior to the 30's the Falkland Islands Government were asking that the catchers be curtailed because they felt that the whale was in danger. It would be nice if our present Government would publicly condemn whaling today as previous FI Governments have in the past and as Mr Gummer on behalf of the British Government did the other day. We have always been conscious I believe of our duty to protect our wildlife and for many years have done so, therefore I feel we should publicly as a Government condemn the unnecessary practise of whaling in this day and age.

The Agriculture Department have recently welcomed a new Vet to replace Mr Armitage who is shortly due to leave and I am sure we will all wish Peter and his family well for the future and thank him for the service he has given during his time in the Islands. There are still frequent requests for a second Vet in the Islands and the demands are growing as time goes on. I think this is something we should give due consideration to during Select Committee and I would welcome any views from the general public if they would wish to contact me on this matter.

I am pleased with the amendments to the Corporation Ordinance of FIDC which were agreed in principle. I am sure it will help allay old, but not I think unnecessary fears that the Corporation could work outside of Government policy guidelines. I think this is a healthy direction for FIDC operations and also necessary for Government who in 1992 will be responsible for the funding of the Corporation. I wish them well with all their projects, and hopefully, the goat project in particular will produce lots of golden fleeces which will perhaps compensate for some of the other projects which haven't fared so well in the past. I am not condemning Mr Michael Summers in any way for this; I think he has inherited a lot of bad eggs in his basket, so to speak, in the way of projects in the past.

It is gratifying to see our children's education being well catered for and good to see the numbers of children who are pursuing further education increasing steadily. Sadly the boys don't seem to be as interested as the girls in further education, hopefully more boys will take up this opportunity in the future. May I also wish farewell to Mr and Mrs Guthrie and thank Mr Guthrie for eight years of excellent teaching, which shows in the standard of Geography passes obtained over the years by his pupils who sat O'Levels and more recently GCSE's. He will be sadly missed, I know, by both pupils and parents.

Hear, hear.

In the past I have criticised Cable and Wireless for the poor quality of the VHF system and I am sure there are still problems in some areas to be sorted out; but recently there has been a vast improvement and this is due to the local staff who have worked tremendously hard in the past month, in particular, Charles Keenleyside and Chris Harris. A lot of the problems have been overcome by their hard work and I am sure a great number of people will join me in saying thank you to them. I hope the parent company at the U.K. end of things work just as hard and give Cable and Wireless in the Falklands the backup that they need to complete the job, which they haven't had up until now I believe, and to get the whole system working properly.

I would like to congratulate FIGAS on the excellent job they are doing with the Defenders on



fisheries surveillance. Eagle Eyed Eddie and his team don't miss much and despite all the criticism which was levelled at the choice of Defender for the job, it is proving its worth beyond doubt, I think.

We have Sukey at home at the moment for a short visit and may I say that we appreciate very much, as my colleague Mr Rowlands said, the job that she and her able body of girls at FIGO do for us. We are very sad at the sad loss of Mr Phil Summers but Sukey and her girls are tremendously good; they work hard as well as having to guide Councillors from A to B and we do appreciate the help and tolerance she always gives us.

I am also pleased that PWD work has been recognised in the Beautiful Falklands Awards; they deserve it; they take so many knocks or have done in the past and get very little thanks and the department has improved no end under the wing of Mr Carter and I am sure Mr Hill will continue the good work, it is very gratifying to see Stanley becoming tidy and more cared for as I remember it as a girl, which is a long time ago.

Our Medical Department is extremely lucky at the moment to have the services of Dr Elsbey, Dr Paver and Dr Jones. We are shortly to welcome a new CMO which will complete our medical staff, at last, after some considerable time and our thanks to Dr McIlroy for coping as Acting CMO for such a long period.

It is good to see the Museum going from strength to strength and as Chairman of the Historic Buildings Committee, I owe a great deal of thanks to Mr Smith for all the help and advice he gives us and indeed also to Jane Cameron for all her hard work. We all owe him, Mr Smith, thanks I think for all the PR work that goes with the Museum Curator's job; all the Dukes, Ministers, MP's, and other dignitaries that visit the Museum during their visits to the Islands have without exception been impressed with the whole set-up.

May I just say it is disappointing and indeed frustrating to be still waiting for approval of the minerals legislation. Hopefully we can expect to have it before the next Legco meeting. Let's hope we still won't be standing here saying the same thing next budget session. I agree with you Sir that we must be vigilant in keeping on track our record of not wanting contact with Argentina. Britain's relations now with Argentina are becoming better and better every day and I feel if we don't keep pressing the point home and we get a Labour Government in next time, we are going to be in grave trouble and it is important that every opportunity we make known the facts as you spell them out that we aren't dependent on Argentina for trade; that we can have contacts with the rest of South America; that we have no objection to Britain and Argentina being on good terms, but until they drop their claim for sovereignty we really don't want any part of Argentinian involvement in our land. Thank you Sir.

**The Honourable W R Luxton:**

Your Excellency, Honourable Members. Thank you Sir for your comprehensive review of the first full year with the budgetary policies having been determined by this Council. As you said there have been some momentous happenings both within and surrounding our Islands and in the outside world. But I would like Sir, to confine my remarks to a relatively small number of specific matters which are of intense interest to both myself and the majority of my constituents.

I have already stood at this table at the last meeting and expressed my views about the price paid for the FIC farms, not the principle involved. I believe we were conned, but it is done and now we all have to try to make it work and I shall add whatever small assistance I can to that end, which really leads me to the first point.

One way to increase income in the sheep farming industry is to improve the product and the

product of the FIC farms was never noted for being at the top end of the quality table. I very much hope that Honourable Members will look favourably on a proposal to set up a section of the recently purchased farms, mainly as a national stud flock, but also as an experimental and agricultural training establishment. Mr Nigel Knight and many others have worked hard to promote this concept and with his fellow committee members he is to be congratulated. I have a comprehensive paper to distribute to Honourable Members which I hope will receive sympathetic consideration.

While we should not and could not compete with the super fine Merino end of the market it is clear that even a one micron improvement in the quality of our clip across the board in our cross breed style wool gives a very substantial increase in income, at no extra cost of production.

In the short term we are committed to a very high expenditure in supporting the Lafonia farms, and I hope that the other 75% of the industry will receive sympathetic treatment on an equal footing to enable them to survive. While on the subject of survival and looking at our other main local industry, after a lot of thought and some part reservations, I have become sure in my own mind that we need to give absolute and unequivocal support to the local fishing companies in the context of the Government's fisheries policy.

Under pressure from the Foreign Office, previous policy statements have been wishy washy and ineffectual. We seem to be something of a laughing stock amongst the world's fishing industry in that respect, and foreign fishing companies find it hard to believe that we treat our own people so badly and an alleged and, if true, disgraceful statement by an unidentified official to the press recently was the final straw. I give now, a firm commitment, that I personally will not agree to any policy that does not give absolute and clear priority to local companies and if this doesn't happen I shall continue to express my disagreement in my usual quiet and moderate manner, which occasionally draws comment from the Chief Executive.

Your Excellency, I don't think you mentioned the phone system; this is a story of mixed experiences. From my own point of view, apart from a partial collapse at the start of this year, the micro-wave system has been absolutely impeccable and Cable and Wireless is to be congratulated as my Honourable friend said. I have had personally no fault for a very long time on the link to Stanley or overseas, but connection as many of us know with the VHF system is another story. These other people are not so fortunate and we mustn't forget them. I believe Cable and Wireless are trying but they need to be prodded on a regular basis until they have sorted out the VHF system. Some people still have quite unacceptable systems which you become aware of when talking to them. Again, I would commend and agree that the local staff have done a splendid job and I believe they are not getting the backing from the Head Office who after all made the mess in the first place, and I would ask the Chief Executive to keep beating Cable and Wireless on the head with the appropriate frequency, and just in case of any doubt I have promised to return to this subject at the next meeting.

I would now like Sir to make a brief mention of a subject about which many local residents have very strong feelings and which has been in the news in the last few days. I agree entirely with my Honourable friend and I refer to the slaughter of whales. I recently had the rather distressing experience of being close to many of these huge but gentle and intelligent creatures when they became stranded on shore. And I find it hard to imagine how any one can kill them. The methods used by the whaling industry are quite obscene. Can you imagine the uproar if we hurtled round the Camp in landrovers, shooting at our mutton sheep with mounted guns, firing hooks into live sheep and then dragging the bloody, struggling body to the meat house with its guts hanging out and still kicking. We would be crucified and rightly so. I ask that the Falkland Islands Government declare itself totally and unequivocally against the killing of whales.



Sir, you mentioned the North Camp road. I would like to extend to the PWD gang, who constructed this road, my most sincere congratulations; it was a great achievement; it was brought in under budget and before time to the extent that they are now proceeding well towards the Malo, having already passed Estancia, across one creek. All of this is a full year ahead of schedule. It is really quite exciting that a project that was strongly recommended by Governor Moody is at last becoming a reality. I would also like to commend the effort being made on West Falkland at present to pioneer a route to the Dunnose Head Peninsula. This work is being carried out by Mr Bill Porter, in his expert way at the controls of a D6 Bulldozer, assisted by Mr Tony Blake and others; all on the initiative of Mr Clive Wilkinson and with the splendid support of the Director of Public Works and his team. Sir, I believe we stand at something of a threshold, at present, as far as road transport development is concerned.

Oh God, here he goes again, they say.

We have a chance to seize the opportunity to progress or by being short sighted and conservative to remain in the same existing rut, if you'll pardon the horrible pun. It so happens that our existing coastal vessel, Monsunen, has reached the absolute limit of her useful and safe life and we have to bite the bullet and replace her.

Exco and all other Honourable friends at this table are aware of the strong recommendations of your Advisory Committee; these are not new ideas. It should be noted that every single person who has addressed the subject of inter-Island communication has come to the same broad conclusion. That is; that a net-work of main road routes should be constructed along with a link across Falkland Sound. There is a wealth of published detail from Mr O'Reilly onwards, including minutely detailed estimates and projections of various traffic flows on such a system. I do most strongly urge all Honourable Members to study these and they are all in your office.

The time has come I believe, for this Government to be courageous again, as it has been in the past. Don't forget the furore when Governor Clifford introduced FIGAS with one Auster aircraft. There have always been those in these Islands with a lack of vision, had they prevailed in the past we would still be struggling around in two clapped out old sea planes carrying four passengers. I vividly remember the incredulous comment of one person, in particular, who said "nine passengers, you'll never fill the damn thing". At that time, I too would have found it difficult to imagine that within just over a decade you could now find five Britten Norman Islanders down in the Stanley hangar.

Nobody predicted that our phone system would at times be unable to cope with the demand; some would still have had us using the R/T, I shudder at that thought. Some would even still have us with the old berry black box. Again just over a decade ago the Green Patch sub-division was grudgingly agreed to by the establishment on the basis that, "Oh well, this idiotic scheme would fold because they will all go bust and fail and things will carry on as always," and look what has happened since then. Honourable Members I am trying to make a point that we should not at this vital stage take the conservative view.

Your Transport Advisory Committee is unanimous that the contract as signed should continue with the road going to Newhaven and that we should commit ourselves now to the replacement for Monsunen, being able to operate a link across the Sound and that we should also commit ourselves to constructing two basic terminals at the recommended sites. The circumstances are such that we shall never again have the opportunity to dovetail these three vital factors, the road, the terminals and the vessel at a lower cost. It won't be cheap, but if we ever have to come back to it you can guarantee it will be more expensive.

Sir, and Honourable Members. About the only prediction I would make is that the use and

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traffic levels on this system would be greater than anyone here could envisage. If you look at past experience. And I would remind you that there is for instance an expensively maintained military presence on West Falkland; it is not beyond the bounds of possibility that this traffic alone could make a substantial contribution to the cost of a link to the West; especially as the bulk of military traffic would go in the opposite direction to potential civilian cargo. Sir, I urge this whole Government, officials and elected Members to take the courageous and far-sighted view and put the doubts and reservations behind us and say let's go for it. Sir, I support the motion.

**The Honourable K S Kilmartin:**

Your Excellency, as has been said many times before in this House we are now dealing with the problems of success, the country is richer than it has ever been but the problems we face are still considerable. The fishery is generating a large amount of income through licence fees. The VRA and the creation of the FOCZ have assisted in the conservation of the stock, but the escape rate is still low and further efforts to increase this escape rate will require the co-operation with other nations in the South Atlantic Fishery. This will cause a considerable political problem.

The other problem is that the fishing licence revenue is now virtually supporting the whole of the economy. The income from activities in Berkeley Sound and the income from other fishery related activities has not fulfilled its early promise for a number of reasons. This licence revenue is funding an increasingly expensive bureaucracy, a large capital programme and it is also supporting the farming community in its hour of need.

Whilst the rest of the world is trying to privatise their economies, the Falkland Islands Government is being forced in the other direction into playing a larger and larger role in the economy. The fishing wealth has enabled us to do many things; we are giving everybody greater opportunities for education and for training, but still a large number of our posts have to be filled from overseas at great expense.

We are now rich enough to afford a modern telephone system, we just don't appear to be able to make it work adequately in the Camp.

The increased workload that you mentioned for both elected Councillors and for Government Officials, has highlighted problems in the Government method. The role and responsibilities of both the Government Officers and elected Councillors needs clarification, if Government is to be both democratic and as efficient as democratic Governments can be. Sir, I support the motion.

**The Honourable G M Robson:**

Your Excellency, Honourable Members many of the points I was to mention, have already been covered by other Honourable Members so I will refrain from repeating too much. However, I would like to associate myself with the comments made on the fishing policy and on whaling.

However, I must say I am pleased to note that despite numerous detractors, FIGAS are proving to be admirably suited to fisheries surveillance and are still able to maintain their excellent passenger and freight capacity and I am confident that with the first seasons experience behind them, they will be equal to the task in the foreseeable future. And in noting that the BAS Dash 7 will be operating from Stanley airport, I can only hope that this is the start for us to be a gateway to Antarctica.

It is also pleasing to see that the efforts of the training programme is continuing and I hope

that the new senior school will encourage more people to take advantage of the facilities at evening classes and such like. Also I am quietly confident that Open University courses will become a reality in the Falklands fairly soon. I am still of the belief that money spent on training and education is of great importance. It may be difficult to see it as an investment per se, but although interest on that investment is not in monetary terms the revenue in future could be of immense value to our country.

I think one has only to look around to see that the Public Works Department has been far from idle in the last year and I hope they can continue with the good work. I am sure even their sternest critics must notice an improvement, particularly, in Stanley, not to mention progress on some Camp roads.

Last year I felt that the economic policy and strategy of the Islands needed to be closely looked at, I am still of that opinion. I am sure that we must all recognise that hand in hand with cuts in expenditure, a close look at our revenue base must be instigated. In this next year, I would hope that possible schemes for increasing revenue to both public and private sectors will be investigated and implemented. There are many possibilities that can be thought about, including possibilities of tax havens, zero tax regimes, free ports, exploration licences etc. And even if these things are not taken up, perhaps the framework for their facilitation could be put in place. This may appear to be a daunting idea but I feel a noticeable achievement in recent years has been the ability of the local population to rise to the opportunities largely unforeseen that the fishing industry and other business has brought about.

I notice that diplomatic pressure by Argentina towards us is increasing; this is shown by the recent comments made by the Argentine Ambassador to Great Britain. The priority of the Falkland Islands in Argentina was said to be low, but I am not convinced of that and I believe we must be on our guard even more in the next year as relations between Britain and Argentina become stronger, in order that our wishes as regards to our status remain paramount. This must be a high priority for us considering that the word "wishes" in diplomatic circles has now changed to "interests."

In this I believe the Commonwealth Parliamentary Association can be of immense value and we should strengthen our links with that body. Many of the smaller CPA members are having, or have had, similar problems, both politically and economically and their support and advice will be most useful and welcome. Sir I support the motion.

**The Honourable G P Short:**

Your Excellency, Honourable Members. In rising to reply to the motion of thanks, I would just like to confine myself to a few brief notes as most of the subjects have already been spoken on.

On Immigration, whilst noting the figures provided from that department I must state that it cannot be easy for them to function without any form of a formal Immigration Policy. It is something that we have been dallying with for the last year and really getting nowhere with. Sir, I believe that it is of crucial importance to these Islands, that we must address this as soon as possible.

On the postal service, although there are still some grumbles about mail reaching the Islands, the reasons for this I am sure cannot be attributed to our local Post Office who are doing all they can to ensure an efficient service to all. The addition of the six new post boxes should help people posting mail, but that really only solves half the problem and perhaps we should be looking at some form of mail delivery in the future.

Philately, I have had the pleasure to take the Chair of the Stamp Advisory Committee and as

everyone will be aware with our Heritage Year of 1992 looming up at high speed, there has been plenty of work to do on the stamp side, and I would very much like to thank all the people who serve on the Committee who have given their all to make sure that all the relevant details we need for the forthcoming stamp issues are brought together. Sir, I believe we are just about on top of this now.

The Agriculture Department, whilst noting what has been said, I would like to ask that we do not relax our drive to eradicate Hydatid Disease in the Islands. I believe that if we relax the disease may well start increasing again.

Fire and Rescue, I would like to associate myself with the thanks that has been given to that department.

On the FIDF, the organisation is going from strength to strength and is becoming far more professional as time goes on. As indeed, quite a few of the British servicemen have found out to their embarrassment when taking on the FIDF in exercises. If I were a betting man, I would most certainly be putting a few bob on the FIDF winning the march and shoot. Sir, I wish them all the best.

Moves were started in this year to chose a new weapon and I know that research goes on. At the end of the day, I believe that the force must be left to chose the weapon that suits them the best.

As an employee of PWD I have seen quite a few significant changes; one, in the attitude and stability of the work force and two, a great improvement in the man-manager relationship and Sir I believe this can only augur well for the future.

Something that does seem to have got lost along the way Sir is the Apprenticeship Board. This is a small Committee that fits in somewhere between the Education and Training Committees; it is very little known and works away quietly in the background and over the last year we have been working on a new format for apprenticeships that will be based on the achievement levels, thus meaning that the rigid five year apprenticeship for everyone will be a thing of the past and therefore a brighter apprentice could finish much sooner. There is much work yet to be done but we will get there.

Touching briefly on fishing: I would like to associate myself strongly with the views that have been expressed about: (a) patrolling our zone; I think it is time we got much tougher with the gentlemen who is popping in and out of our zone even if this does mean arming up our vessels and I do think there would be quite a few volunteers to load, aim and fire the thing.

Local companies: I fully support what has been said about local companies getting a good crack at the whip; if there are going to be fat cats then I would like them to be locals and not overseas.

Whaling: I too wish to associate myself with the request that this Government formally denounces commercial whaling and indeed if the Japanese in the coming years start hunting the Southern Minke Whale, I believe we should use the only tool at our disposal to register a protest and that is fishing licences. Sir, I wish to support the motion.

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

Your Excellency, Honourable Members. I thank you Sir, for welcoming me to my first budget Legco and for the gratifying remarks by Councillor Edwards about the preparation of the estimates by myself and my staff.

Throughout the year at meetings of the Standing Finance Committee the Government's finances are regularly reviewed and I am sure that all Members are now more familiar with the way departments operate. We have several days of hard work ahead of us at Select Committee but as this will be the second meeting for this Council I do not anticipate it taking as long as it did last year.

I trust the Select Committee will be responsive to Councillor Rowlands' request for additional funds for Heritage Year provided equivalent savings can be quoted from within the Legislature budget. You will be hearing quite a bit from me later and as I don't want to repeat myself, I will reserve my comments on other financial matters until then. Your Excellency, I support the motion of thanks.

**The Honourable Chief Executive:**

Your Excellency, I know little about whaling except that they are most endangered while spouting. I will therefore do my best to keep my remarks short.

On behalf of the civil service may I say that I am most grateful to Your Excellency and to Honourable Members regarding the remarks the performance of Government employees. There are now many positive signs of the investment that has been made in roads, buildings, equipment, training and people. The 90's so far has been a period of change for the better that we plan to see strengthening of those aspects of life and work that are characteristic of the Falklands.

I would like to associate myself with the remarks that have been made concerning various staff changes, but I would like to make a point of welcoming Richard Wagner, to his new post as the Economic Advisor to the Treasury and at the same time to mention the departure of Graham Gleadell. Graham was a most unusual official: his approach to economics and his advice to Government was unique and sometimes oblique and he was a different type of person but I think the place is emptier without him and I am very sorry that his departure had to be in the form that took place.

Honourable Members touched upon a number of issues that are very much policy matters and it may be that I will be in a position to comment more fully on those at a later point in the Legislative Council. Sir, I support the motion.

**CONFIRMATION OF THE RECORDS**

The Records of the meetings of Legislative Council held on 20th February 1991 and 23rd April 1991 were confirmed with amendment.

**PAPERS TO BE LAID ON THE TABLE BY THE HONOURABLE THE CHIEF EXECUTIVE:**

The Falkland Islands Development Corporation Report and Accounts of the Year ended 30 June 1990.

**QUESTIONS FOR ORAL ANSWER**

**Question Number 22/91 by the Honourable Mrs Norma Edwards:**

Sir, we recently had to substantially increase the subsidy to Coastal Shipping can the Honourable the Financial Secretary assure the farming community that any increase in freight rates will be kept to an absolute minimum until wool prices increase and farms are viable again?

**The Honourable Financial Secretary:**

Your Excellency, Honourable Members. I regret that I am unable to provide the assurance requested. As the Honourable Member will be aware, it is for Honourable Members to decide on the allocation of public funds for all items of expenditure. Should at any time the allocation in respect of the subsidy to Coastal Shipping Ltd. be insufficient to cover its operating deficit it would be for Coastal Shipping Ltd. to decide on what action to take to remedy the situation.

**Question Number 23/91 by the Honourable Mrs Norma Edwards:**

Can the Honourable the Chief Executive assure this House and the farming community in general that no preferential treatment will be shown to the farms managed by Falkland Landholdings Ltd. over and above other considerations offered to the rest of the farms in the Islands?

**The Honourable the Chief Executive:**

Your Excellency, in answer to the Honourable Member's question may I quote a statement of intent from a paper concerning the proposed management and operation of the farms which was considered by Executive Council prior to the decision for the purchase of the farms, quote:

"Landholdings and its subsidiary operating companies shall be eligible on the same basis as other farm operations to any grant, subsidies or other forms of assistance which may be from time to time approved by Government, these companies should be neither advantaged nor disadvantaged by such assistance compared to other farm operations."

May I advise the Honourable Member that Landholdings will be operated as a commercial venture and subject to the normal terms and practises existing within the private business sector, as such it is not intended that Landholdings should receive preferential treatment from Government or FIDC.

**The Honourable W R Luxton:**

Your Excellency, could I ask the Chief Executive to clarify that situation because the present grants system, or the present assistance, is based (a) on mortgages and (b) on wool sales. As for the first year at any rate Falkland Landholdings has neither a mortgage nor any wool to sell. Could he elaborate, could he clarify on what basis comparative assistance would be made to Landholdings?

**The Honourable the Chief Executive:**

Your Excellency, the Honourable Member is anticipating an issue which will be placed before Standing Finance Committee for consideration. The situation that he has accurately outlined does pertain; there is a strong argument that would suggest that the grant that was provided to the agricultural community was very much linked to keeping people in employment in the agriculture sector and I think it would be worthy of consideration, that the £130,000 grant that was awarded to the Falkland Islands Company when they were running the farms, which has since been transferred back to Government, should now be considered for allocation to Falkland Landholdings. That is not suggesting preferential treatment, but it is a matter of financial allocation which I am sure my Honourable friend the Financial Secretary would wish to consult with the Standing Finance Committee upon.

**The Honourable Mrs Norma Edwards:**

Can I ask the Honourable Chief Executive, will this money be over and above the one and a quarter million which has been allocated until June 1992, to Falkland Landholdings?

**The Honourable the Chief Executive:**

The £1 million that has been allocated to Falkland Landholdings is their operational budget and that was drawn up assuming that they would be entitled to this grant of £130,000.

**Question Number 24/91 by the Honourable W R Luxton:**

Could the Chief Executive or the Financial Secretary please advise:

- a) the total remuneration paid to each individual elected Councillor, including payment for overseas visits, during the period 1 May 1990 to 30 April 1991; and
- b) The total of all other costs incurred by or on behalf of Councillors during the same period in respect of local and overseas travel and accommodation?

**The Honourable the Financial Secretary:**

Your Excellency, Honourable Members, during the period 1 May 1990 to 30 April 1991 the following remuneration was paid to individual elected Councillors including the annual allowance of £2500, a payment for attending qualifying meetings £200 per meeting, reimbursement of telephone charges and payment of the overseas allowance at £50 per day.

The Hon. T J Peck MBE CPM	£12,141.10
The Hon. R E Binnie	£ 9,699.96
The Hon. Mrs Norma Edwards	£ 9,567.64
The Hon. G M Robson	£ 8,302.90
The Hon. W R Luxton	£ 6,611.53
The Hon. H T Rowlands CBE	£ 7,999.96
The Hon. G P Short	£ 7,625.77
The Hon. K S Kilmartin	£ 6,114.86
Total	<u>£68,063.72</u>

the above allowances are not subject to income tax.

During the same period a total of all other costs incurred by or on behalf of Councillors in respect of local and overseas travel and accommodation was £37,520.10.

**Question Number 25/91 by the Honourable W R Luxton:**

Would the Chief Executive please report on the success or otherwise of the policing of the enlarged fishing zone, what effect the un-policed section between the FOCZ and Argentine EEZ has had, and whether FIG will consider more robust treatment for unlicensed vessels fishing in our zone?

**The Honourable the Chief Executive:**

Your Excellency, I will answer the question in three parts.

In response to the Honourable Member's question regarding the success or otherwise of policing the Outer Conservation Zone in addition to the FICZ, I am able to report that since the



setting up of the FOCZ in December 1990, the area of the northern part of the FOCZ has been patrolled on a frequent basis. The patrol strategy of the Fisheries Department, using two vessels in conjunction with two aircraft, has coped satisfactorily with the additional 12,000 square miles of area. There have been numerous attempts by fishing vessels to fish illegally in the FOCZ, but detection and subsequent interception by a patrol ship has always been carried out within six to twelve hours.

In response to the second part of the question, the un-policed section between the FOCZ and the Argentine EEZ has had very little, if any, effect on stocks of *Illex* or policing of the FOCZ.

Only a very few Taiwanese jiggers have been seen fishing in this area. In total, six Taiwanese jiggers have fished for four nights in this area. This would equate with a maximum of 240 tons of squid being taken.

No other nationalities have fished in this area.

With regard to the policing of the FOCZ, any vessel that has been pursued from the FOCZ has crossed the "Gap" and entered the Argentine EEZ.

On whether the Falkland Islands Government will consider a more robust treatment of unlicensed vessels fishing in our zone, can I say that as a result of experience gained from various incidents during the recent past, the Government has carefully considered and put into effect a policy to allow for a more positive method of apprehension of illegal fishing vessels. Whilst it would not be correct to make public these methods, as they are currently operational, I can assure the House that the policy should benefit considerably the patrol success of future fishing seasons.

Additionally, my colleague the Attorney General is giving serious consideration to the possibility of introducing further measures to penalise vessels convicted of contraventions of the Fisheries Ordinance.

**The Honourable G M Robson:**

Sir, I feel that as overseas fishing companies and associations applied to the Falkland Islands for licences, which must imply that we must have something that they want, could the Chief Executive indicate whether FIG will this year press for the VRA talks and licence allocation negotiations to be held in the Falkland Islands, thus emphasising to fishing nations that our fishery is administered and managed in the Falkland Islands and not in London as may be the perception?

**The Honourable the Chief Executive:**

Your Excellency, this is a matter that the Chief Executive has actually pressed as a preference in the past. Unfortunately it hasn't been able to be achieved; there are a number of technical reasons largely associated with the information that is available at Imperial College and with various advisors, combined with the difficulties of having so many people travel so far, that appear to make this inconvenient, but if Honourable Members wish I am happy to re-examine this situation again, but I think it unlikely to occur this year certainly.

**The Honourable G P Short:**

Coming back to the policing of the zone and also people hopping in and out of it, has any active thought been given to arming the patrol vessels?



**The Honourable the Chief Executive:**

Your Excellency, as you are aware and has been discussed in another place, very serious consideration has been given to this and other methods of positive patrolling. They are all under very serious consideration. The main problem as everyone is aware is with the Taiwanese and one of the unusual factors that we have in dealing with the Taiwanese is that the British Government, the Falkland Islands Government and none of our European partners have any diplomatic relations with Taiwan; so it is difficult to bring any other type of pressure to bear, but it may be that we need to consult much more closely with other fishing nations in the South West Atlantic to see if we can combine, to consider policies that will make it an un-commercial prospect for Taiwanese fishing vessels to come into the South West Atlantic, or for that matter, into the South East Pacific.

**The Honourable the W R Luxton:**

Your Excellency, can I ask the Chief Executive, I don't want, I am not pressing the Chief Executive to reveal any details of exactly how we might blast them out of the water, but what are the prospects this season or next of actually bringing one of these Taiwanese vessels into town and throwing the book at him and making it stick?

**The Honourable the Chief Executive:**

Your Excellency, you have a situation of a vessel, if it is fishing and it has its jigging arms in operation, it is rather like some medieval fighting vessel; it has these whirling hooks going in every direction; if a ship is to go close to it the damage to people on both vessels could be quite dramatic, so simply to edge against it is an experience that is daunting to any but the most experienced of fishery patrol Captains and to a vessel that will have to have some special arm or sabre device that can cut through them. There are other techniques that our fishery patrol people are exploring that can disable the vessel.

The ability to fire over the bows of such a vessel has already been agreed, but we know from experience and accounts from the Argentine side, that frequently firing over the bows does not deter them, and unless you are prepared to risk human life it is difficult to arrest a vessel, in those circumstances, that does not want to be arrested. They are very much into the business of velcro call-signs, so you are never certain at any time of the actual designation of the vessel; they are known to fly flags of other nations and to go to quite elaborate measures to disguise the silhouette of the hull, so that they can't be readily disguised from photographs taken at other times, but I can assure Honourable Members that the whole matter is being given considerable consideration and we have now altered the insurance policies that will allow the current fishery patrol vessels to be more robust and we would anticipate that by the beginning of the next season we will have another strategy worked out.

**Question Number 26/91 by the Honourable W R Luxton:**

Would the Chief Executive please advise the total cost incurred in the purchase of the FIC farms in respect of legal and solicitors fees, travel and accommodation for persons involved, both officials and Councillors and any other direct costs including phones and faxes over and above the monies paid to FIC.

**The Honourable the Chief Executive:**

Your Excellency, an exact figure of the total costs is not available at present as all charges have not yet been received. However, the known costs plus liberal estimates for those charges not yet received total approximately £100,000. This is made up of the following:

Solicitors' fees to date	£60,000
Chartered surveyors' fees	£12,250
9 flights at £830	£ 7,470
Accommodation, meals, & transport	£10,497
Other direct costs such as (telephone, faxes, duplicating)	<u>£ 5,283</u>
Total	<u>£95,500</u>

This amount includes all of the costs incurred by the Falkland Islands Government representatives during two visits, covering a total of 25 days away from Stanley. It should be noted that in addition to the negotiations concerning the farms, Government representatives took the opportunity to conduct other Government business whilst in the U.K. As with most journeys from the Falklands, timings in Britain were determined by aircraft schedules and not necessarily for preference. This does not include the two day stop over in Ascension.

Breakdown by department, if this is of value:

Legislature	£ 9,820
Secretariat	£ 4,989
Dept. of Agriculture	£ 4,738
Attorney General	£74,852
Contingency estimate	<u>£ 1,101</u>
Total	<u>£95,500</u>

Considerably less than the amount that was saved on taking over the mortgages for the Port Stephens section.

**Question Number 27/91 by the Honourable H T Rowlands CBE:**

Will the Chief Executive confirm that the new General Orders will be completed and available to all Falkland Islands Government Officers by the 30th June 1991?

**The Honourable the Chief Executive:**

Your Excellency, Honourable Members, I regret I cannot report such confirmation.

Work is continuing on the draft General Orders to incorporate the necessary amendments and to check the accuracy of the draft and that its provisions are up to date. This is a time consuming task and the draft requires careful checking as many of its provisions are inter-related and cross-referenced. For this reason it is not practical to attempt to tackle the draft, part by part. Nor therefore, can sections be made available as they are completed for scrutiny.

A great deal of work is planned and the General Orders are being given a high priority. The Secretariat has been instructed to set aside regular periods each week, comprising one fifth of the week, in which to progress the draft. The draft Orders will also need to be checked thoroughly by the Attorney General to ensure that none of its provisions are in conflict with those contained in the Constitution and in International Conventions.

Because Section 76 of the Constitution provides that His Excellency the Governor is responsible for all Civil Service appointments and disciplinary control over public officers, the Governor will also need to be satisfied as to the content of General Orders before approving them for issue to the Civil Service. General Orders in fact can constitute directions by the Governor for the general guidance of the Civil Service.

The draft of the new General Orders will be made available to Councillors and the Civil Servants' Association with all dispatch.

**The Honourable H T Rowlands CBE:**

Your Excellency, can the Chief Executive give any indication or an estimate of when the General Orders will become available?

**The Honourable the Chief Executive:**

I regret, Your Excellency that I can't. I accept that General Orders must be progressed without delay and it should be understood that Government itself has an inherent interest in their publication. The current General Orders date from 1963 and they are still in force. Some of the provisions have to be read together with more recent and up to date precedents set by decisions of the Governor in Council, (an example of this is the 1989 Leave and Passage Regulations), and by reference to the Attorney General to ensure that they do not conflict with the Constitution or International Conventions. This situation will continue after the introduction of the revised General Orders.

Enquiries that are received by the Establishments Section of the Secretariat are readily answered. I can assure the Honourable Member that every effort, within the staffing limitations of the Secretariat, is continuing to be addressed to this matter. But as I explained in my earlier answer, we are not in control of how much time other people may take in examining the documents. However, under the current General Orders, no member of staff is disadvantaged. The delay on this highly desirable review will not affect in any way the essential administration of Government or its employees.

**Question Number 28/91 by the Honourable H T Rowlands CBE:**

Will the Chief Executive confirm that there is no intention of reducing the military input into the King Edward Memorial Hospital within the foreseeable future?

**The Honourable the Chief Executive:**

Your Excellency, I have been advised that there is no planned programme for the Ministry of Defence to reduce their current commitment to the military staffing of the KEMH. It is not feasible in the foreseeable future, that the Falkland Islands Government would be in a position to consider an all civilian staffing of the hospital.

**The Honourable H T Rowlands CBE:**

Can the Chief Executive explain why the Chief Executive advised the Surgeon General of the Armed Forces on his recent visit to the Falkland Islands that there would be a withdrawal of the, or at least the whole hospital would be civilianised within five years?

**The Honourable the Chief Executive:**

Your Excellency, I have no recollection of advising the Surgeon General of that advice. It is simply not a possibility. I have touched with a number of visitors on the plans that we have to Falklandise as soon as we can a great many posts that are currently under contract and certainly the time scale that is mentioned of five years may be appropriate to the return of the first nursing staff to the Islands, who perhaps are leaving today to go and do a course and then spend some time. It may be appropriate to nursing; if by any chance he left with the impression that that was for the whole Falklandisation of the hospital, that was an error.

**Question Number 29/91 by the Honourable K S Kilmartin:**

Your Excellency, could the Chief Executive:

(a) state how many farms the Falkland Islands Government or the Falkland Island Development Corporation now own directly or indirectly by way of mortgage and give an approximation of the proportion of the land of the Falkland Islands now so owned; and

(b) report on the effectiveness of the assistance scheme currently being made available to the farming community and outline the proposed schemes for the coming season; and

(c) confirm that FIG will be able to sustain assistance to the farming community despite the prospect of substantial expenditure on and substantial losses from its directly owned farms?

**The Honourable the Chief Executive:**

Your Excellency, Government now owns directly the five farms: Fitzroy, Goose Green, North Arm, Walker Creek and Bleaker Island. In addition it holds the mortgages on a further 26 farms. The Development Corporation now owns directly Sea Lion Island and holds mortgages for a further 27 farms. Therefore approximately 77% of the land in the Falkland Islands is owned by the Government or a Government owned company or is mortgaged by the Government.

Answer to question (b) the assistance schemes currently provided to the farming community. They have been effective in that they have achieved their aims of:

preventing any farm going into insolvency;  
ensuring that all farms have kept up with mortgage payments;  
and providing some compensation for loss in earnings.

Other agricultural grant schemes have been modified to take into account the reduced financial resources available to farms. Based on the present estimates of the 1991 wool prices and sales analysis to date, agricultural earnings in 1991 could be lower than those in 1990. On this basis, provision has been made of approximately £1.3 million, to be made available to the agricultural assistance programme for the year 91/92. The suggested funding would be by the carry-over of approximately £900,000 from financial year 1991 plus an additional £400,000 to be allocated as part of the 91/92 budget.

(c) As I have indicated, provision has been made for £1.3 million for grant aid. The expenditure on Falkland Landholdings other than has already been reported is expected to be zero and it is the commercial aim to reduce the coming year's losses to below that of the current year's figure of some £300,000.

**The Honourable R E Binnie:**

Can the Chief Executive confirm perhaps, that the present system of assistance to the farming community expires in October?

**The Honourable the Chief Executive:**

That is certainly my understanding.

**Question Number 30/91 by the Honourable K S Kilmartin:**

Your Excellency, could the Chief Executive state what progress has been made with HMG in implementing the wishes of the Falkland Islands Legislative Council, that the Falkland Islands continental shelf should be extended?

**The Honourable the Chief Executive:**

Your Excellency, I am advised that the proposition has advanced and is currently being examined and commented upon by departments of Her Majesty's Government that will be affected by such an extension. As Honourable Members will be aware, the Minister of State at the Foreign and Commonwealth Office, Mr Garel-Jones, said at a public meeting in this room on the 23rd of February 1991 that offshore surveying should be under way within one year, that is to say, by February 1992. The one significant delay that he could not influence, an early general election, does not appear to have come to pass. This would certainly have caused difficulties with achieving that aim.

**The Honourable Mrs Norma Edwards:**

Would it be possible to have assurance from the Foreign Office that this continental shelf legislation isn't going to take as long to get back to us as the mineral legislation, or is it going to be caught up in Governmental departments at the other end of the world for the next three years?

**The Honourable the Chief Executive:**

Your Excellency, I would suggest that the two are very closely linked and I would see that one is really not very helpful without the other, so perhaps in error, I have always coupled the two together.

**The Honourable K S Kilmartin:**

Your Excellency could the Chief Executive confirm that the minerals legislation is actually in existence and that the one hold up is the Proclamation by HMG?

**The Honourable the Chief Executive:**

Your Excellency, in an earlier life I used to have a Chief Clerk, when pressed on a question like this would say "it is almost in draft, Sir." I think we are in the business of dealing with business terms, how you present it to me would be robustly denied by my Learned Friend, but I think we have gone further than it being almost in draft but it is not ready in the sense that until it is presented to you is it ready.

**The Honourable K S Kilmartin:**

Your Excellency, I believe I understand what the Chief Executive is saying on the advice of the Attorney General but, in practical terms, could he confirm that we are ready to go, that it is Her Majesty that has to make the Proclamation?

**The Attorney General:**

May I answer this question Your Excellency?

The position is this. The first step is the Proclamation, not by Her Majesty in London, but by the Governor on the advice of the Secretary of State, if that is the route for the extension of the continental shelf. That is, I say, if that is the route, because the other possibility is the extension could be dealt with by Order in Council in London. That having been done this Council will be invited to consider appropriate legislation. It is more than in draft; I have gone through many desk drafts but they may need amendment depending upon the decisions and the precise decisions made in London, in relation the the Proclamation of the continental shelf.

As soon as we have the green light on that, I shall be more than anxious to present, at the earliest possible moment, legislation for the consideration of this House and I can assure this House that, as the Honourable the Chief Executive has said, it is more than about to go into draft; we have gone through about four drafts already, but I don't guarantee that there would not have to be further changes to it once the green light is received. Does that clarify the position?

**The President:**

It does to me.

**Question Number 31/91 by the Honourable K S Kilmartin:**

Your Excellency, could the Chief Executive report on the progress and costs of Camp roads being built directly by the Falkland Islands Government or under contract and could he comment on the financial well-being or otherwise of the other transportation methods to the Camp?

**The Honourable the Chief Executive:**

Your Excellency, the roads are currently being constructed at two sites: from Estancia to Teal Inlet by PWD and from MPA towards Darwin by PSA International.

In March the PWD team completed the Port Louis road and to date they have built two miles of the Estancia/Teal Inlet road at an average cost, of this 3.5 metre wide road, of about £35,000 a mile.

On March the 7th PSA International were given instructions to commence work on the MPA/Darwin Road, and since then have been assembling plant, work force, and building their base camp, opening up burrow pits and surveying the route. The average cost of this 5.5 metre wide road will be about £60,00 per mile. It is expected that the road will be complete by mid 1992.

Turning to FIGAS, the future of the FIGAS operation is shaping towards significant improvements. Fisheries surveillance this year has accounted for 76.6% of revenue earned - that is to say £950,000 of the total revenue of £1,239,000. The deficit of 62.6% shown in the 89/90 budget which was £494,000, has been reduced to something over £200,000, or 14.8%. 1991/92 will assume a surplus of £193,000, or a 13.8% over expenditure estimate which is £1,395,000. So that is auguring quite well.

Coastal Shipping, the budget for 1990/91 was a subsidy of £145,000 that was revised to £567,000. The budget that you will consider for 1991/92 is set at half a million pounds (£500,000).

## **ORDERS OF THE DAY - BILLS**

### **The Appropriation Bill 1991**

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

**The Honourable the Financial Secretary:**

In this, my first budget presentation, I did not propose any radical changes in fiscal policy or management. My predecessors have built a solid foundation from which the Islands as a whole have benefited and I intend to build on that foundation a structure, that will continue to

finance a public service and a capital programme for the benefit of all.

When I took up my former post of Deputy Financial Secretary in the financial year 1981/82, the approved budget was £3.5 million. Ten years on the budget for 1991/92 is estimated at £40 million. In order for it to increase at a comparable rate over the next ten years alternative revenue sources need to be found. Unless our income base is broadened, the growth and expenditure will outstrip revenue and will therefore need to be restricted more than it has been in recent years to achieve a balanced budget and thus maintain a healthy reserve balance.

As is normal practise, the draft estimates have been provided to Honourable Members to give them the opportunity of examining the suggested level of activity of individual departments. The format of the estimates follows the pattern of the past two years in that: part one deals with operating revenue and expenditure and the second part covers capital revenue and expenditure.

Before providing details on the 1991/92 estimates, I will briefly review the 1990/91 financial year. Further details have been included in the budgetary policy 1991/92 paper which was circulated to all Honourable Members. Operating revenue was originally forecast at £37.5 million. The revised estimate of revenue indicates that £40 million will be received; an increase of £2.5 million, which is mainly attributable to an increase in fisheries income amounting to £2.1 million. Operating expenditure was originally forecast at £22.5 million; the revised estimate of expenditure indicates that £24 million will be expended, an increase of £1.5 million. The main reason for the increase in expenditure is in the provision of support to the farming community to help combat the loss of earnings during the present depressed state of the wool market. Out of that £1.5 million, £800,000 was needed to finance the assistance to the farming community scheme, managed by the Agricultural Department. £422,000 was required for an increase in subsidy to Coastal Shipping Ltd. to cover a deficit on their coastal service operation for the two year period ending 30 September 1991.

The capital programme has seen some major changes during the course of the year. Expenditure was forecast at £18 million; the revised estimate indicates a spend of £22 million, an increase of £4 million. The revised estimate includes additional provision of £6 million for the purchase from Anglo United of FIC farms, operation of the farms until 30 June 1991 and transfer of Port Stephens mortgages to FIG. It also includes an additional £500,000 to bring forward the projected provision to meet the enhanced pace of the construction of the new senior school. As a result of slippage from original planning an under spend of £2.7 million will occur in respect of the Camp roads and East Stanley Housing Development projects. With capital revenue revised at £1.9 million, the net effect will be an estimated overall deficit of £4.1 million which will leave £32.7 million as the balance in Government's reserves at 30th June 1991.

An interesting and comforting point, is that this represents 15 months operating expenditure. Ten years ago our reserves could support only three months operating expenditure. However, we have still some way to go before we obtain the reserves equivalent of at least two years expenditure which Councillor Rowlands, when Financial Secretary, looked forward to in his last budget presentation. A balance in reserves at 30th June 1991 of £32.7 million is the starting point of the 1991/92 budget.

Total operating revenue for 91/92 is estimated at £38.8 million and total operating expenditure is estimated at £25.3 million. This provides a surplus of £13.5 million to fund a capital programme, after capital income of £12.7 million, leaving an overall surplus of £800,000 to increase the balance in reserves to £33.5 million at 30th June 1992.

First I will deal with the capital programme for 1991/92 which is contained in part two of the estimates. The 1991/92 programme is £8 million less ambitious than the current year's pro-



gramme. Provision is inserted at £13.9 million; reductions of £6 million having been made by the Standing Finance Committee to help achieve a balanced budget.

All sectors of the economy and community will benefit from the major developments under-way and planned. The agricultural sector is allocated £1.5 million for farm loans, which includes £1 million for a working capital loan for Landholdings. No provision is made for agricultural grants as they are now funded directly through the European Development Fund and the Overseas Development Administration. Construction of Camp roads and tracks is allocated £3.1 million; Education services are allocated £3.5 million to complete the construction of the new senior school; Housing is allocated £2.4 million for the construction of single dwelling units, apartments, services to new properties and new property development; The improvement and construction of new roads in Stanley are allocated £1.4 million, and improvements to electricity supply, public buildings, structures and other municipal services are allocated £1.5 million. A sum of £200,000 is allocated for the expansion of TV transmissions to Camp. At this stage it should be noted that all allocations are subject to review during the course of the forthcoming Select Committee deliberations.

Turning now to operating expenditure in more detail. The estimate for 1991/92 amounts to £25.3 million and compared to the approved estimate for 1990/91 of £22.6 million, shows an increase of 12% which is roughly double the inflation rate. Included in operating expenditure is provision of £1.3 million under agriculture for the continuation of financial assistance to the farming community. This item of extraordinary expenditure replaces a £1 million item which featured in the previous budget for the completion of the Stanley Fisheries withdrawal, therefore does not distort the comparison I just illustrated.

Also in the figure for operating expenditure is a 6% increase in established staff salaries approved to match the increase in the retail prices index. Wages for the hourly paid employees in Government are automatically adjusted on a quarterly basis to match the percentage increase in the RPI. The cost of the salary increase will amount to approximately £250,000 gross, the annual payroll for all Government employees is estimated at £6.5 million. This represents 25% of total operating expenditure. The new salary scales, incorporating both the increase in salaries and recent re-grading review are shown on the second page of the draft estimates. Following this page is a revised list of contract salaries which clearly shows, that as a result of the salary increase and grading review, there is a significant reduction in this differential between expatriate salaries and salaries of locally recruited staff. Pensions for retired Government officers are now reviewed annually and provision is also included for an approved 6% increase with effect from 1 July 1991.

Provision is included in the budget for the following proposed increases of approximately 6% in social welfare benefits. Family allowances with effect from 1 January 1992: child allowance from £36 to £38.50 per month; single parent allowance from £30 to £32 per month. Non-contributory old age pensions with effect from 1 July 1991: single rate pension from £45 to £48 per week; married rate from £63 to £67 per week. It is also proposed to increase contributory old age pensions by approximately 6% with effect from 1 July 1991: single rate pension to increase from £47 to £50 per week and the married rate pension from £73 to £78 per week. The cost of contributory old age pensions is met from the old age pensions equalisation fund. In order to maintain the value of the fund the Government Actuary in London has recommended that both contributions and the annual subsidy that Government makes to the fund should be increased by the same percentage as that afforded to benefits. Accordingly the following increases are proposed in respect of contributions: self employed from £10.50 to £11.20 per week; employer from £6.30 to £6.70 per week; employee from £4.20 to £4.50 per week. Provision to increase the Governments subsidy to the fund from £146,000 to £156,000 is inserted in the draft estimates.

While on the subject of Old Age Pensions, I can advise that £20,000 has been inserted in the

estimates to finance a long awaited review of the scheme and retirement benefits generally.

The additional cost to Government for 1991/92 in respect of these proposals will amount to approximately £28,000. Bills under a Certificate of Urgency to implement the proposed Old Age Pensions increases will be introduced on return from the Select Committee proceedings. The Bill to implement the proposed increases in family allowances can await the normal consideration by Executive Council as the increases are not effective until 1 January 1992.

I now deal with the subject of revenue. We remain heavily dependent on fisheries income to fund our activities and fisheries income is equally dependent of Illex fishing licences which make up approximately 8% of that income. The total income from fisheries is estimated to generate £25 million, about the same amount as the revised estimate for 1990/91 and represents 64% of the total operating revenue. The projections to 1993/94 indicate revenue from this source at about the same level. Because of the vulnerable nature of this revenue source, in respect of both conservation and market forces, projected income cannot be guaranteed. In the event that any significant reduction in revenue occurs, expenditure on public services and infrastructure development will likewise need to be reduced.

Taxation and investment income are our other main sources of revenue. Up till fairly recently we have benefited from high interest rates in U.K. on our investments, but the declining trend means that revenue from this source will reduce from £4.1 million in 1990/91 to £3.5 million in 1991/92. It is estimated that income tax and company tax will produce £2.6 million, this takes into account an anticipated increase in earnings. A slight reduction from the £2.8 million revised estimate for the current financial year, reflects the reforms in the tax payers favour brought about by the recent tax study and review; the remainder of the recommendations of the study and review are to be incorporated in a Bill to replace the present Income Tax Ordinance later this year; provision has been inserted in the budget to finance this further tax reform exercise.

With the general increase in salaries and wages anticipated during 1991/92, it is proposed that personal allowances be increased by approximately 7% with effect from 1 January 1992 to maintain the effective rate of tax at its present level. This proposal would result in a loss of revenue in 1991/92 of around £35,000 and it has been taken into account in the revenue estimates. The electricity supply section of the Public Works Department is operating at a loss. In order for it to reach a break even position, it is proposed that the tariff be increased from the 13p per unit, imposed in 1987, to 14.5p per unit with effect from 1 July 1991. This proposal would result in additional revenue of £130,000. If this proposal is accepted in order to mitigate hardship to Old Age Pensioners it is proposed that the present rebate of 2p per unit be increased to 3.5p per unit up to the approved limit of 400 units per quarter for married pensioners and 300 per quarter for single pensioners:

It is proposed that postage be increased by approximately 10% with effect from 1 January 1992. It is confirmed that this proposed increase would conform to UPU rates additional revenue from this source in 1991/92 will amount to approximately £13,000.

Government house rents continue to be heavily subsidised by an average of approximately 60%. In an attempt to gradually eliminate this subsidy, it is proposed that rents be increased by 20% with effect from 1 July 1991; estimated additional revenue from this source after taking into account an anticipated increase in rebates would amount to £40,000. In an effort to encourage private ownership of property, Government is reviewing the policy on the sale of houses to sitting tenants and it is expected that attractive and alternative offers will be made soon. The rent structure is also currently under review and it is likely that further increases in rent will result.

At a meeting held on 15 May 1991 the Standing Finance Committee approved a 10% increase

in Stanley rates for the period 1 July 1991 to 30 June 1992; estimated additional revenue from this decision after taking into account an anticipated increase in rebates will amount to £15,000. Stanley rates also remain heavily subsidised, only 50% of the cost of the particular municipal services covered by Stanley rates are actually recovered. The only items subject to Customs Import Duty are liquor and tobacco products; it is proposed to increase duty on liquor by 7% and tobacco products by 15%. The effect of the increases would be as follows:

Beer from 16p to 17p per litre, an increase of approximately .5p per 33 centilitre can; spirits from £6.22 to £6.66 per litre an increase of 33p per 75 centilitre bottle; wines from 41p to 44p per litre an increase of 2p per 75 centilitre bottle; fortified wines from 50p to 54p per litre an increase of 3p per 75 centilitre bottle; cigars from £43.26 to £49.75 per kilo an increase of 10p for 10 small cigars; cigarettes from £31.28 to £35.98 per kilo an increase of 7p per packet of 20; tobacco from £28.43 to £32.70 per kilo an increase of 21p for 50 grams.

No increase in charges affecting the fishing industry, such as medical fees, harbour dues, or transshipment fees are proposed. In real terms by not increasing these charges in line with inflation, this represents a decrease which should go some way to appeasing those involved in the industry who claim that the high level of charges are discouraging use of our harbours and facilities.

No increase in FIGAS air-fares is proposed at this stage. From the introduction of a 7 day week flying and the failure to increase air-fares for several years, the subsidy has substantially increased. The General Manager, FIGAS is currently reviewing the way the air service operates and a policy decision will need to be made by Executive Council in due course with regard to the continuation of the 7 day week flying service, a revised air-fare structure and revised conditions of carriage.

However, it is not just house rents, Stanley rates and FIGAS which are heavily subsidised. There are many other areas where Government is providing subsidies other than for emergency or essential social services. For example: Media Trust and FIPASS to name but two. In every case it is necessary to evaluate the benefits received against the allocation of our limited resources to ascertain whether value for money is being achieved. It is my intention to scrutinise more closely these aspects in order to provide the financial advice needed by Council, to consider alternatives. FIDC, who will be dependent on FIG funding for its operations from 1992/93, will also come under the same scrutiny.

It is proposed that the charges and fees for services other than those I have dealt with today, should be reviewed throughout the year. Heads of department will always find easy access to my office if they have revenue proposals; for expenditure proposals they might find it easier to gain access to the vault.

As mentioned earlier the only scope for achieving a meaningful increase in revenue is in broadening our income base. To this end expenditure must first be incurred and funds have been inserted for consultancy advice on the exploration of mineral resources. Other revenue measures will continue to be explored.

I am grateful for heads of departments for co-operating in the production of a balance budget and for Treasury staff assisting in the preparation of the draft estimates. 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, may I first of all congratulate the Financial Secretary on his presentation of the budget. He has given a very clear exposition of our financial position and also on the preparation of the estimates. Congratulations go to his staff as well. I fully know what he must have undergone in the last few months; I think he has done a very good job and I sincerely hope that he will be doing it for many more years to come.

The question of the increases that he is proposing; I intend to look at them very carefully during the course of the Select Committee. In particular the increase in the electricity tariff and I want to be supplied with a lot of background information to convince me that that is necessary; also on Government house rents, I would like to look at that very closely in relation to the proposal for changing or possibly changing the offers we are to make to the occupants of the houses, there is a little study group which I take part in and I would certainly like that to move forward very fast.

On the question of tobacco and liquor, I can swallow that, but as far as one other thing that I noticed that he hasn't got this year and which his predecessor made for the first time last year and I think during the course of Select Committee I may try and twist his arm, in putting in another Christmas bonus for the Old Age Pensioners; they will probably do with that especially if they smoke or drink. Thank you Sir.

**The Honourable Mrs Norma Edwards:**

Yes, just briefly to also congratulate the Financial Secretary. I have to say that I do object to my cigarettes going up 7p a packet again; I know I am in the minority but I will have a go at you at that. Sometimes that is the only pleasure that some people in the Camp have, so I will leave that until the Select Committee to argue about. Also I may well argue about the increase in pension contribution, £11.50 a week self employed is an awful lot to cough up. Thank you Sir. £11.20 I beg your pardon.

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

Council reconvened on Thursday 6th June at 2 pm.

**The President:**

Members, Ladies and Gentlemen, Good afternoon.

**REPORT OF THE SELECT COMMITTEE ON THE APPROPRIATION BILL 1991**

**The Honourable the Financial Secretary:**

Your Excellency, Honourable Members. Select Committee had three days of intense examination of revenue and expenditure proposals for the forthcoming financial year. Heads of department were provided with the opportunity of justifying their budgets and were questioned in detail in the Committee's attempt to reduce expenditure and increase revenue wherever possible. Details of the amendments made to the draft estimates have been circulated to all Members.

In summary the estimate for operating revenue was increased by £244,280 mainly due to an adjustment to the figure for the sale of quarry products under PWD income. The estimate for operating expenditure was reduced by £212,440 resulting from various savings throughout the budget. The increase of £135,000 in the estimate for capital expenditure reflects the decision

to provide funds to enable a government research farm to be established. These funds will assist in the purchase of a national stud flock for investing in the agricultural future of the Islands. In respect of the estimated running costs of the research farm, £46,000 was inserted in the agricultural operating budget. By majority vote the Committee agreed that £1 million out of the £1.3 million inserted in the estimates for assisting the farming community should be reserved pending a review of the assistance programme.

Another important decision was a reduction of the provision for a subsidy to Coastal Shipping Ltd. from £500,000 to £400,000. This item of expenditure has been transferred from the Customs and Harbour head of service to a new head entitled Shipping Services.

As a result of the amendments to revenue and expenditure the estimated overall surplus was increased by £321,720 from £803,660 to £1,125,380. I would like to add that last year the Committee commenced with a surplus of £1.1 million but after seven days ended up with a reduced surplus of £600,000. This year after only three days in Committee the opposite has occurred and therefore I believe better value for money has been achieved.

All proposals on old age pensions were approved and will be dealt with in detail under the appropriate Bills. The proposed increases in family allowances were also approved in effect from 1st January 1992. A Bill to implement the approved family allowances increases can await the normal consideration by Executive Council.

With regard to my revenue proposals, the Committee's recommendations are as follows:

Following a further review of the electricity tariff computation, it was agreed that the tariff be increased from 13p to 13.5p per unit with effect from quarter ending 30th June 1991. The present rebate of 2p per unit for old age pensioners to be increased to 2.5p per unit up to the approved limits.

It was agreed that postage be increased by approximately 10% with effect from 1st January 1992.

It was agreed that Government house rents be increased by approximately 20% with effect from 1st July 1991. The allowances under the rebate scheme to be increased by 6% to match increases in earnings. The proposed increases in Customs Import Duties were agreed and will be dealt with by Resolution. The Committee agreed that no increases should be made at present to medical fees, harbour dues and transhipment fees. The Committee agreed that Government could afford to forego revenue in respect of income tax by recommending an approximate 7% increase in allowances as follows with effect from 1st January 1992:

personal allowance	- from	£3000	to	£3200
allowance for wife	- from	£1900	to	£2050
wife's earned income relief	- from	£3000	to	£3200
allowance for relative in charge of children and for a dependent relative	- from	£1020	to	£1100

During the course of the meeting other revenue issues were discussed and the following measures were approved:

hire charges for videos from the public library to be 75p per week with effect from 1 July 1991;  
swimming pool charges from 1 July 1991:

annual membership	- adult	from £48.50	to £53
" "	- child	from £23.50	to £26
six month membership	- adult	from £26.50	to £32
" "	- child	from £13.50	to £16
session entry fees	- adult	from £1	to £1.20
" "	- child	from 50p	to 60p
Aquarun charge	- adult	from £1.20	to £1.40
" "	- child	from 60	to 70p
pool hire charge	-	from £50 to £60	per hour;

Evening class fees from third term commencing 19th September 1991;

from £1.50 to £2 for a 1½ hour class  
 from £2 to £2.50 for a 2 hour class;

Vehicles licence fees:

trailers	-from £2	to £3	per annum
motor-cycles	-from £8	to £11	" "
light vehicles	-from £20	to £27	" "
heavy vehicles	-from £32	to £43	" "

Driving licence fees:

provisional licence	-	from 50p	to £1
production certificate	-	from 50p	to £1
a test	-	from £10	to £15
life licence	-	from £10	to £15

It was also agreed that penguin egg licences should be increased from £1 to £5 per 100 eggs and that a £10 fee should be introduced for a Trout and Salmon fishing licence.

Broadcast announcements at FIBS to be increased from 10p to 12p per word and a minimum charge from £1 to £3 with effect from 1 July 1991. The rental of private letter boxes at the Post Office from £10 to £12 per annum with effect from 1 January 1992; the fee for the loss of a key to be £12 also.

The following rates were agreed for FIGAS air-freight with effect from 1st July 1991:

fresh produce	30p	per	kilo
frozen goods	40p	"	"
other goods	50p	"	"

It was agreed that the £1 minimum charge for all goods should remain. The present rate is 44p per kilo, half rate being applied to perishable goods. A further increase was agreed with effect from 1st January 1992:

fresh produce	from 30p	to 40p	per	kilo
frozen goods	from 40p	to 50p	"	"
other goods	from 50p	to 60p	"	"

With the minimum charge to remain at £1. The Committee noted that FIGAS air-fares are under review and that it is expected that recommendations from the General Manager will come up for consideration soon.

The Committee agreed that landing charges at Stanley airport should be reviewed. The Committee also agreed that fees and charges not dealt with during the course of the meeting should be reviewed throughout the year. Those Sir, are the results of the Select Committee proceedings, the amended Appropriation Bill has been provided to Honourable Members.

**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 stands part of the Bill with the following amendments:

Head 100 - Aviation, substitute £1,502,580 for £1,512,580;  
Head 150 - Post and Telecommunications, substitute £387,100 for £374,600;  
Head 200 - Medical and Dental, substitute £1,901,390 for £1,946,990;  
Head 250 - Education and Training, substitute £1,804,160 for £1,801,300;  
Head 300 - Customs and Harbour, substitute £148,480 for £647,480;  
Insert head 310 - Shipping Services, £400,000;  
Head 320 - Fisheries, substitute £6,796,450 for £6,826,450;  
Head 350 - Public Works, substitute £5,380,500 for £5,524,500;  
Head 390 - Fox Bay Village, substitute £59,870 for £103,170;  
Head 400 - Agriculture, substitute £2,036,960 for £1,984,280;  
Head 450 - Justice, substitute £324,890 for £326,590;  
Head 500 - Falkland Islands Defence Force, substitute £167,170 for £170,670;  
Head 600 - Secretariat, Treasury, Central Store and Broadcasting, substitute £1,679,140 for £1,681,890;  
Head 700 - Social Welfare, substitute £517,820 for £505,130;  
Head 750 - The Governor, substitute £217,470 for £147,890;  
Head 800 - Legislature, substitute £203,930 for £216,930;  
Head 850 - Falkland Islands Government Office, substitute £292,650 for £290,250;  
Head 880 - FIDC funding, substitute £95,000 for £67,300;  
Total operating budget - substitute £25,132,900 for £25,345,340;

**Part two - Capital Budget**

951 -Expenditure, substitute £14,011,500 for £13,876,500;  
Total Expenditure, substitute £39,144,400 for £39,221,840;

**The Schedule as amended was adopted as part of the Bill**

**The Honourable the Financial Secretary:**

I beg to move that clause two stands part of the Bill with the following amendments:  
substitute, £39,144,400 for £39,221,840.

**Clause two as amended was adopted as part of the Bill. Council resumes. The Bill was read a third time and passed.**

**THE CUSTOMS (AMENDMENT OF IMPORT DUTIES) RESOLUTION 1991**

Presented under a Certificate of Urgency.

**The Honourable the Financial Secretary:**

Your Excellency, this Motion is for a Resolution of this Council to amend the Customs Import Duties under the provisions of the Customs Ordinance.



This resolution will bring into force with effect from today the increases in duty proposed in the budget. The proposed revised rates are as follows:

Beer, ale, perry, porter, spruce, cider and stouts of all kinds - 17p per litre;

Spirits - whiskey, gin, rum, brandy, vodka and other spiritous liquors and liqueurs - £6.66 per litre;

Wines - still wines, sparkling wines and champagne - 44p per litre;

Vermouth, sherry and port - 54p per litre;

Tobacco products:

cigars	-	£49.75	per	kilo;
cigarettes	-	£35.98	per	kilo;
tobacco	-	£32.70	per	kilo;

I beg to move that this Resolution, copies of which have been circulated to Members, be adopted.

**The Motion was adopted without debate.**

**The President:**

Could I ask what Spruce is?

**The Honourable the Financial Secretary:**

I am not sure Sir, what it is, it must be something that you drink.

**The President:**

We must ask our Research Assistant to look into that sometime.

**The Attorney General:**

I will find you the legal definition if you would like.

## **ORDERS OF THE DAY - BILLS**

### The Old Age Pensions (Amendment) Bill 1991

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

**The Honourable the Financial Secretary:**

This Bill provides for the increase in benefits and contributions I proposed in my budget presentation. This Bill also provides for an appropriate increase in the amount that a female contributor may earn before contributions by her shall be compulsory. Honourable Members have again expressed concern about the level of contribution imposed in respect of the self employed. It is anticipated that the forthcoming pensions review will address this point along with the many other matters that need to be addressed. I beg to move the first reading of the Bill.

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

**The Honourable Mrs Norma Edwards:**

Yes, just to say to the Financial Secretary that I appreciate greatly that there is going to be a pensions review and hopefully we can see some reduction after this review in the contributions of the self employed. Thank you.

**The Bill was read a second time. In the Committee stage Clauses 1 to 5 and the Schedule were adopted as part of the Bill. Council resumed.**

**The Attorney General:**

May I just mention one very minor point, there should be a closing inverted commas at the end of the schedule to be inserted; those seem to have unfortunately been omitted; if that correction might be made.

**The Bill was read a third time and passed.**

The Non-Contributory Old Age Pensions (Amendment) Bill 1991

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

**The Honourable the Financial Secretary:**

Your Excellency, Honourable Members, this Bill provides for the increase in benefits I proposed in my budget presentation, in respect of Non-contributory Old Age Pensions. The benefits are payable to persons who are unable to qualify for a pension under the provisions of the Old Age Pensions Ordinance. There are now only eight of these pensioners and the total cost to Government is estimated at £18,720. I beg to move the first reading of the Bill.

**The Bill was read a first and second time.**

**The Attorney General:**

Sir, before we see to the clauses and schedule individually there should be opening inverted commas before the word "schedule" and closing inverted commas after the figures "48" where they secondly appear.

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

The Supplementary Appropriation (1990-1991)(No3) Bill 1991

**The Honourable the Financial Secretary:**

Your Excellency, Honourable Members this Bill provides for supplementary expenditure approved by the Standing Finance Committee during the period 12 December 1990 to 26 April 1991 as follows:

12 December 1990	-	£419,100
16 January 1991	-	£ 18,300
21 & 22 February 1991	-	£468,880
5 & 6 April 1991	-	£270,400
25 April 1991	-	<u>£712,400</u>
Total	-	<u>£1,888,980</u>

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 & 2 and the schedule were adopted as part of the Bill. Council resumed. The Bill was read a third time and passed.

The Revised Edition of the Laws Bill 1990

**The Honourable the Chief Executive:**

Your Excellency, this Bill is brought to the House, The Revised Edition of the Laws Bill 1991, because the present edition of the Laws of the Falkland Islands was published in two volumes in 1950. Its predecessors were published in 1875 and in 1950; only a very few copies of the 1950 edition are now in existence and in any case the 1950 edition is hopelessly out of date and of very limited practical use. This Bill is, therefore, necessary so that the Revised Edition can be produced in the correct format. I beg to move the first reading of the Bill.

The Bill was read a first and second time.

**The Attorney General:**

Your Excellency, in relation to clause 8, sub-clause (1), paragraph (d), second line; the word "part" in that line should be omitted. It is included there but is not required and is inappropriate.

In the Committee stage clauses 1 to 15 and the schedule were adopted as part of the Bill. Council resumed. The Bill was read a third time and passed.

The Interpretation and General Clauses (Amendment) Bill 1990

**The Honourable the Chief Executive:**

Your Excellency, this Bill, a Bill for an Ordinance to amend, The Interpretation and General Clauses Ordinance 1977, seeks to amend the, Interpretation and General Clauses Ordinance 1977, so as to remedy certain defects which have become apparent during the preparation of a new revised edition of the laws. 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 & 2 and the schedule 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 R E Binnie:**

Your Excellency, Honourable Members. I thought someone else was going to take the first place today, so in rising to support the motion for adjournment Sir, may I firstly like to perhaps explain that the present financial aid to the farming community will cease with the payment of mortgages at the end of December 1991. Funds have been inserted in the budget for further aid, but it is just not necessarily that the farmers should think that this aid will be granted. The aid will not be forthcoming just because it is there in the budget, there will be a review as to whether it is necessary.

I am fully supportive of assisting farmers and businesses that are going to become viable, but we must not get ourselves into a situation where we are propping up businesses that are not viable or badly managed. We are subsidising FIGAS; we are subsidising Coastal Shipping; we are subsidising Stanley rates; we are subsidising house rents; we are subsidising FIPASS; we are subsidising mortgages on farms and housing; we are subsidising the swimming pool; the list is endless.

In September, it is the month in which fishing licences will be allocated. That leaves us barely two and a half months in which time we must get our fishing policy amended so as to benefit the Islands. We must have a policy that will ensure that all foreign fishing companies obtain their licences through local companies. We must also ensure that preference is given to those companies whose efforts are directed at promoting the local fishing industry. We must not sit back and rely on licensing revenue only; we must implement a policy that will create opportunity for co-operation between foreign and local companies for the benefit of our Islands.

It should be the main aim of all Governments to ensure that the local population benefits the most from natural resources within their region. We must not allow foreign companies to exploit those resources. We should be in a position to market our fishing expertise in order that we may generate more capital which will be invested in the Islands rather than losing it to outside interests.

Sir, finally I would like to congratulate the Financial Secretary and heads of departments on their budget this year and also I think the Senior Assistant Secretary should be congratulated on his dedication and excellent work within the Secretariat. Thank you Sir.

**The Honourable T J Peck MBE CPM:**

Your Excellency, Honourable Members, like Councillor Binnie, I think we had a game of draughts here this morning about who was going to stand on his feet first, second and so on, we did hope that it would have commenced at the other end of the table today, but it doesn't look like it.

I have just a few points Your Excellency, Honourable Members. For these past five, six months it has been an extremely busy and difficult time within Council. I know many members within our community have looked at Council and have wondered, how divided have they become? And with the decision that have had to be taken it looked at one time as if Councillors were completely divided. But, with the democratic system of Government that we have in the Falkland Islands, I am very proud to say that this Council today stands absolutely united. There have been difficult decisions which have been made and with the best advice from our senior officers within the Administration and from overseas, this has helped Councillors to

make, or to arrive at decisions which have made history within the Falkland Islands. I name the purchase of the Falkland Island Company farms from Anglo United, but I will say again that this Council is united and will continue to remain united in whatever they do, because we have a democracy and which we are very proud of.

Other, a different note but quite a sad one, that within a couple of months we shall once again be seeing another well respected member of our community, that is the Commander British Forces and Mrs Hunt, who will be taking leave of our Islands. I have been asked to say on behalf of members of Council and from the community that we would like to extend our thanks and very best wishes to the Commander British Forces, General Hunt and Mrs Hunt for their future wherever they may be, we shall always remember them.

General Hunt has been a very staunch supporter of the Falkland Islands Defence Force, just to name one area within the Islands. I can assure him that we as a Government and Council will continue to provide support to the Falkland Islands Defence Force from now and for the future, because he has made it very very clear to us all that the Falkland Islands Defence Force do have a very important role to play in assisting and working alongside the British Forces in defence of our Islands. So I would say once again, General Hunt, our good wishes go with you and Mrs Hunt.

Immigration is an issue, Sir, which I find very disturbing. The doors have been left open much too often and I do not believe essential controls are being exercised from the officers responsible for this area. Nor do I believe that in London, is this control being exercised to the full either. We cannot allow people to apply to FIGO in London for an application to take out a permit to visit or take up residence in the Falkland Islands, without referring it back to the Government within our country.

I do not entertain the idea that they should be advised that they should perhaps come down here as a tourist, and whilst here make arrangements to settle; that is completely unsatisfactory and should not be encouraged. We have had quite a number during this last 18 months, who have come through the back door and we still have some in our community who have done this and have continued to remain here. That is not the way the Immigration Policy should be followed and it is up to the officers responsible to exercise in full the requirements under the Immigration Ordinance. So therefore Sir, I would ask that this is brought to the attention of those in the position to exercise this authority in full.

Next year we have our Heritage Year, 1992. It is a most important year within our Islands history. A great deal of work still has to be done. The Committee which I Chair at the moment have been making proposals and suggestions and while a lot more work has to be done, certain matters have been put in hand to promote this, but it is most important that everyone within the community looks on 1992 as the most important year of our Island's history.

Stanley has had a reasonably good face lift in this last year, I am very pleased to say; partly through promotion from Falkland Islands Tourism which I believe, Beautiful Falklands, was something was new, it was a new area altogether, but it did help. But I am also very pleased to notice that it is the general public who have taken it on themselves to take a great deal more pride in their properties and gardens, and I would ask them that, this is now June so we have six months until 1992, that more effort be put into re-furbishment of properties and gardens and also the areas around them where there is a lot of debris lying around. If we worked together as this Council works together then I believe that by the end of December this year, that we could be looking at a very, very smart looking Stanley and also to the farms as well. It doesn't apply just solely to Stanley but throughout the Islands. We want to give our visitors next year the best impression of the Falkland Islands and how it really looks.

When I was in the U.K. this past four and a half, five weeks, I did not sit idle but I had numerous meetings, together with the Members of the Foreign and Commonwealth Office and the Minister, Garel-Jones. Alongside of this I had a number meetings with Crown Agents, Cable & Wireless, Imperial College, together with the South Atlantic Council and (what I think my colleagues would say) Lord Montgomery who is quite well known to us all.

All of the meetings that I had arranged and attended were conducted in a very cordial atmosphere in every case. As a result of one of these meetings that was with the South Atlantic Council, an invitation was extended to me to visit Brussels last Wednesday. So I went to Brussels, and I was very pleased that I was able to do so. I met the First Secretary of the British Commission there, a Mathew Hudson, and it was not his invitation, but an invitation from a Doctor Stefan Sheepers; but it was a start for an elected Member of the Falkland Islands Government to visit Brussels and to open doors, if you can excuse the expression, but it is most important. During that visit it was brought home to me that we in the Falkland Islands are also part of the European Community and we should not forget that. I know that my Honourable colleagues will not all agree but with the Far Eastern fishing companies who have the monopoly in licensing, certainly in the Illex fishing area, this is not entirely agreeable to the European Community; they believe that we should be looking more to Europe or to the Community than to the Far East. It is a point I just make, but we should not lose sight of the fact that we are part of the United Kingdom which is part of the European community and this is where we should be looking, perhaps, to our future.

Also whilst in discussion with the Minister, Mr Garel-Jones he did refer to the mineral legislation and he has given me an assurance that this legislation will be given to Legislative Council within a very short space of time; that they have not sat back; that they have done their homework; we should be having that in our hands very soon.

I would like to add my thanks alongside of Councillor Binnie for the work which the Honourable the Financial Secretary has done regarding this year's budget. Thank you, Your Excellency.

**The Honourable Mrs Norma Edwards:**

Your Excellency, Honourable Members. In rising to support the motion I have not a great deal to say. I can't promise Mr Peck that we will have a united Council for ever and ever, I might have a fight now and again; that is too bad, you will just have to put up with it.

There are one or two points, Sir, that I would like to bring up at this time. I know you will be announcing the FIPASS tender in due course, but I would just like to say to the people who have contacted me, through the Business Association and private individuals, that we did meet with you as they requested; asked to do, you very kindly met with them, we discussed it. But I would like to explain to them that the tender board decision, is an advisory board that advises the Administration and the Administration eventually makes the decision; it was very kind of you to see us and listen to our views, but I hope that people will understand that whatever the tender, however the outcome is it is not a Council decision as such.

The Upland Goose has recently been sold to the FIC by Witte Boyd and I hope that this is not going to be the investment of £750,000 which FIC promised as one of the conditions of the farms sale to invest in the Islands, because I feel that this is an asset, not an investment. Therefore, I hope that I am not jumping to the wrong conclusion and assuming this is the investment they proposed for the Islands. Of course the money will go to Witte Boyd which will not stay in the Islands, however, I am sure I am wrong and I'm sure they are investing in something else.

I agree entirely with Councillor Binnie, that we must get our fishing policy right this time and

we must support our local companies wholeheartedly with no loopholes in the policy this year hopefully.

I am very pleased that the pensioners electricity is being held at 11 pence this year and I hope that the farming community will not be too disappointed at the freight increases on FIGAS; they haven't been increased for a long time and I afraid that the subsidy has to be reduced if we can possibly do so.

I would like to add my thanks to Derek and his team. It has been a jolly good budget, very well handled and as much as budgets go a pleasure to take part in. My good wishes to General Hunt and his wife as well. Sir, I support the motion.

**The President:**

I don't know about the Upland Goose whether that is the investment we were promised but I would think that all investors probably hope they have got an asset at the end of their investment anyway.

**The Honourable W R Luxton:**

Your Excellency, Honourable Members. I also would like to add my congratulations to the Financial Secretary on his first budget; it was very well presented and he had obviously done a great deal of work with heads of department and he managed to wield the knife savagely, but nevertheless with a sense of humour which is the main thing.

I am pleased that we managed to vote some money towards the national stud flock and the experimental farm which we hope will be at Swan Inlet. I hope that will turn out to be a great asset to the future of the community and this is really what we should be doing, is investing in our future.

The question of the FIPASS contract; I think we in fact, should be quite honest and say we support the tender board; I believe the tender board, unpalatable as it may be, made the right decision; I find it unpalatable because, in common with a lot of the general public I think, because I don't like seeing one company having a total, or increasing their monopoly in these Islands and I only wish that we and the tender board had been in a position to support a local company; to have some element of competition in our overseas shipping.

I am prepared to bet that the purchase of the Upland Goose is the three quarters of a million investment, or whatever it is, and we won't see any new money in any development from that, but anyway we shall see.

On the subject of the fishing licences. I think we are, as Councillor Peck said, united in our desire to see a greater support for local companies and a firm and clear fishing policy which won't leave any loopholes. I did ask a question of the Chief Executive at the beginning of the meeting, on the subject of being a little more robust with unlicensed vessels in our zone and it is good news indeed, and I think again we are united, in supporting the attitude which the fishery department is taking at the moment and I very much hope the vessel they are chasing is able to be arrested and brought back to Stanley and an example made of him, and indeed anyone else fishing in our waters without a licence; that they have an example made of them that they won't forget; it might discourage some of the others.

I don't have many other things to mention, Sir, except that the major landmark and development and investment in our future the new school seems to be going ahead in leaps and bounds. It is quite incredible the changes up there, when you are not in Stanley all the time and come in and see the changes that take place week by week, or over a longer period.



Congratulations to all concerned there, it seems to be going very well indeed.

While on the question of unity, another thing that we are totally united on is on the question of our neighbours across the water and I believe we are under pressure and the pressure will increase and that we should resist any connection with them until they drop the claim. Sir, I support the motion.

**The Honourable K S Kilmartin:**

Your Excellency, I too wish to welcome the new Financial Secretary to his first budget, as we now once again have a local resident as a member of our management team. This year in the budget, despite once again being completely dependent upon fishing licence revenue, no money was put into reserve, or so little as to make no difference. Once again, reserves are so low that they will only last one year if the licence revenue collapses; that might in fact be grounds for not having reserves at all and we should allow ourselves to go under in the first year rather than spending all our reserves on trying to collapse the huge bureaucracy that we have created.

However, we have shown faith in the future. We are investing substantial sums in the Camp, even though wool prices are at a very low ebb, in the form of roads, the new Government farm and stud flock, assistance to Coastal Shipping and perhaps helping Coastal Shipping with their new vessel. In Stanley, the Senior School is now a huge structure and I for one think that we have it at the right size; I am pleased that we didn't build it even larger; I think it is now the correct size for the community.

I suppose the largest budgetary cloud is the fact that the day to day running of Government costs us £25 million and that we require a million pounds of vehicles to transport our Government officers from A to B to do their work or whatever.

Whilst I welcome the fact that we are becoming closer to Europe as is inevitable as we are an OTC, it should be pointed out that although we will receive benefits; the community will attempt to impose its will upon us and has already done so in a number of cases.

Whilst I welcome that perhaps we are getting closer to some of the countries on the mainland of South America and that in an effort to save our fishery, we will be talking to the Argentine fishery authorities, there will be benefits from this but once again they will attempt to impose their will upon us.

Finally on the question of FIPASS. FIPASS was a real business; it went out to tender and people put in their bids; it is a shipping and fishery related business but not a single local fishing company tendered for that business and I for one was very disappointed. Thank you.

**The Honourable G M Robson:**

Your Excellency, Honourable Members. As we have heard, last year's Select Committee on the budget lasted for seven days, this year's lasted only three. This may reflect on the improved efficiency of either the Select Committee or on the budget presentation in general by the Financial Secretary, his staff and heads of department. I would like to think of it as a combination of the two, but must nevertheless congratulate heads of department and the Treasury particularly for all their hard work. Last year was my first budget and I must confess to being a little overawed at the prospect. This year I felt that I knew a little more about budgetary matters and consequently was more at ease during the whole process and I am sure that is probably true of all Councillors, past and present, at their second budget.

Matters related to the budget have already been mentioned variously so I will confine my

remarks to generalities. However, as a smoker, although I have approved the additional duty on tobacco products, I feel I must make the proviso that non-smokers do not penalise us further by complaining at length about what has now become a relatively expensive, albeit I am told a dangerous hobby.

I still believe that the Falkland Islands can remain a viable entity, in spite of wool price drops, possible fishing failures, if we can keep our operating costs to an acceptable level which is obviously one aim of Council. But perhaps more importantly by being far more aggressive in the marketing of Falkland Island products, not only in the Falklands but in the world at large.

As mentioned by the Honourable Member for West Falkland the national stud flock concept for instance should be seen as a long term investment; we have what is in essence the biggest quarantine station in the world and could breed disease free animals for export world-wide eventually. People pay for quality and I am sure that we have the capability of providing that quality.

My views on the fishery can be encapsulated in one word, localise. I agree with my Honourable friend from East Falkland completely. We have the capabilities within our business community and I am sure there are many people here who can and will join those already in business and this can only benefit the Islands as a whole.

It has been said by someone far wiser than I, that the only certainties in this world are death and taxes, no-one can do anything about the first and I hope that the second will not be too much of a burden from this budget. I would like to think that we are moving towards a system of lower income tax and towards a user pay system. This I feel can in the real world and particularly in the Falkland Islands only be done partially and gradually, but I feel with this budget we may have taken a step forwards. Budgeting is difficult at the best of times and things do not get any easier and I must add my congratulations to all who have contributed to the formulation of this budget. Sir, I support the motion.

**The Honourable G P Short:**

Your Excellency, Honourable Members. I will keep my remarks very, very brief as I think we have done enough jawing over the last few days to last us quite a while. If I could first reply to the Honourable gentleman who wondered why I didn't stand up first, I'm afraid I was still writing my speech at that stage.

The budget process this year for me has been much easier to understand than last year's Herculean manoeuvre. The heads of department on the whole have done a good job in keeping their estimates within the bounds of realism, with a little help, I am sure, from the knife wielding Financial Secretary.

The one part of the budget that I would like to comment on is the farm subsidies, I feel that this should not have been part of the budget but should have come to the House as part of a Supplementary Appropriation Bill later on; this would I feel open the whole thing up to public debate as should be the case. The other fear that I have is that if a subsidy is allowed to remain in the estimates, people will get used to it and even in the good years of wool prices, will become dependent on it.

The increases in the cost of goods and services that have been outlined in the budget are never welcome but are I'm afraid necessary. The one increase that does worry me, is the large increase in house rents. Whilst I can see that the vast subsidisation of house rents cannot continue indefinitely, I do wonder if it would not have been a good idea to introduce the increase when a new package has been worked out for the sale of Government housing stocks.

The decision to lay chase to the jigger is a sound one. I believe that by taking this action we are sending out the right signals to all nations who are fishing in our waters. But it is a pity that our vessel doesn't have teeth.

The provision in this years estimates for money for setting up the national stud flock, I actually support. The ways of setting up and running it I am sure will cause a good bit of debate, but Sir, I think I shall have to bow to the superior knowledge of our Camp Members as far as that goes. Sir, I wish to support the motion.

**The Honourable the Financial Secretary:**

Your Excellency, Honourable Members. I am grateful to Honourable Members for their complimentary remarks and for their hard work during the Select Committee proceedings. I would like to take this opportunity to thank Richard Wagner and Maria Strange for their secretarial efforts during Select Committee and in particular, I pay tribute to Mike Luxton and Lynda Lyse of the Treasury for assisting me in the preparation of the estimates. I would also like to convey my best wishes to General and Mrs Hunt. Sir, I support the motion for adjournment.

**The Honourable the Chief Executive:**

Your Excellency, Members have raised a number of matters on which I perhaps should say a few words. Firstly on the matter of Immigration Policy, the Honourable and gallant Member wasn't present when this was discussed two days ago in budget Select Committee and Immigration Policy is seen in two separate aspects, one, that of controlling people, but also that of attracting people.

In recent weeks we have devoted considerable amount of time towards controls; there have been close discussions between my office, Immigration, the Chief Police Office, the Attorney General and I gather that as late as this morning the Attorney General was in conference with the Immigration Officer and the Chief Police Officer and they believe that only some administrative hardening is needed to give the monitoring facilities that you want and that is very much in hand, and I wouldn't want you to think that it had been ignored. I think what Members found exciting was the prospect of looking outwards to attracting immigrants, that will strengthen in many ways different parts of the Colony that are unlikely to be quickly put right from within.

I am also anxious that the Heritage Year Committee are conscious of the support that the Government departments would wish to give to this and the Honourable and gallant member will shortly be invited to meet with heads of department and discuss with them how they can play a part and they would like to offer their assistance in every way.

Concerning the Upland Goose Hotel. I think where it has been bought as part of a farm sale and to be left standing, that would be a pretty shabby deal. If on the other hand the hotel is acquired it is staffed with internationally respected people; it is further developed, it is added to, it is turned into a centre of excellence, in the way that we need a hotel of international standards, whoever does it, I think would be investing. But this is matter that is for Anglo United and others to consider, but I think it is too early to dismiss it as not a sensible investment.

We are delighted with the response to the fishery patrol; it is clearly just not the Royal Canadian Mounted Police who always get their man and there are signs that the psychological pressure is starting to make some impact and there are communications taking place that we had not expected. I believe we can already see some results from the bold decision that Members took at very short notice to give authority for this long marathon chase to take place

if necessary.

I was grateful to the Honourable and learned Member for raising perhaps in an exaggerated fashion the number of Government vehicles that are used to transport staff to work each day. I wouldn't say that all £1 million of the vehicles that we own are used, but certainly far too many of them are used and since we had the discussion in Select Committee, I have already taken steps to set up a Committee to look at how we can correct this and I would have hoped that by this time next year, we have a totally different situation.

One of the points that the Financial Secretary made was that there was to be no change in harbour dues. People in Camp on the smaller islands who have made representations about the concern of the increase of harbour dues for cruise ships, in particular, may not have realised that by that statement it means that there will be no increase on those dues, nor will there be handling or landing charges applied to cruise ships coming to Stanley harbour and the Customs Officer explained that in fact cruise ships already pay double the normal rate of harbour dues when they come to Stanley to avoid the payment of landing charges.

I will write to the Falkland Islands Tourist Board and urge them to press the operators to agree to take stocks of Falkland Island goods such as our coin sets, our stamps, our first day editions, pullovers, all sorts of handicrafts, pictures, things that are made locally, which if they are sold on board in the ship shops together with the mutton, lambs produce and stores should bring additional income to the Islands which is too readily dismissed when people talk of cruise ships.

I am happy to be able to report on a matter that was raised in this House one or two sessions ago concerning the necessary legislation for the control of radios and licences and we have now had a formal response from the radio communication agency. This is a subsidiary of the Department of Trade and Industry who have responsibility for this task in the United Kingdom and we are now well and truly on the way to getting something done on this matter, and I am sorry it has taken some time.

Turning to the issue that several Honourable Members have mentioned, that of FIPASS. Honourable Members, public concern as you know was expressed to Government through the Business Association and you yourselves raised the matter of FIPASS and the management contract tender issued by Government.

Eight bids were received of which only three fully complied with the tender requirements; the lowest compliant bid was put in by the Falkland Islands Company, who complied fully in all respects. The tender board recommended the acceptance of this bid and it has been accepted. The issue was discussed at length by Honourable Members with the Governor and with me on separate occasions; I have also had discussions with the president of the Business Association.

An Executive Council meeting at which all Councillors attended was held yesterday afternoon in the margins of Select Committee. Councillors expressed regret that the contract could not be awarded to a local company and wondered if a performance bond was a necessary requirement for such a contract. The Government would be very happy to award the FIPASS contract to such a company, if it could meet the tender specifications and be competitive in price, both of which should be possible. There are a number of local companies which could secure a performance bond in the sum required or a joint venture could perhaps have been achieved which could do so. To operate without such a bond would expose the Government and we are talking here about public money, to a very considerable risk; experience in running such an operation is also a key factor.

Fears were expressed in the Business Association about commercial confidentiality or undue competitive advantage. Both the normal regulations for the operation of such a contract and

the terms of this particular contract, guard against this stingently whoever operates FIPASS. The Customs and Excise and Harbour Master are all involved in its operation and monitoring. On a point of information the contract is for management, maintenance and operation of FIPASS; it is a fixed fee for each two years, no matter how many ships come or how much work is generated; the contract does not set rates for work carried out for shippers or other clients of FIPASS, these are set, controlled and monitored by Government. It is in the interests of all, including the successful contractor that FIPASS is run as efficiently and cost effectively as possible and we and the contractor will do all that can be done to see that this is the case.

I now would like to address a number of the remarks that have been made by Members concerning fisheries policy. Mention has been made in this House of the desire to ensure that future fisheries policy be more closely linked to the strengthening of local companies. Those who are closely acquainted with the policy will know this has been a continuing priority within the policy for some years. This is demonstrated each year by the rising percentage of licences awarded to vessels with links to companies in the Falkland Islands. We have not been able to require that licences be obtained through local fishing companies in the past. I am advised that for legal reasons, quite apart from anything else, we will be unable to change this in the future.

Nevertheless, the ambition to strengthen local firms is recognised and there are a number of proposals being considered on how the wholly acceptable concept of directing finance from the fisheries towards Falkland firms can be achieved, through means that are possible, acceptable and lawful. There is to be a seminar on the matter of fishery policy within the next month or so and at that event such outlines can be projected and discussed.

A press report was also touched upon earlier by the Honourable gentleman from West Falkland. I can say that the offending passage does not reflect the views held by me or my colleagues, nor in fact is there really any sense in the sentence. The feature included a number of statistics and a style of presentation of data that is inconsistent with the briefing notes usually provided by Government.

Your Excellency, I would like to note with regret that the Honourable and distinguished Member for Stanley, a former Financial Secretary, is not present today due to being unwell and I know that he too would have wished to congratulate the Honourable the Financial Secretary and the team, for their splendid work they have done with the budget. I support the motion.

### **Commander British Forces**

Your Excellency, Honourable Members:

For a military man to have the opportunity to address the budget session of an elected Council is, as you will be aware, a rare if not unique honour. It is, though, perhaps ironic that this privilege comes at a time when I am grappling with the introduction with the MOD's new management strategy, so-called, which is a budgetary system intended to delegate financial responsibility to a much lower level in HM Forces than ever before; and so I too may soon require a budget debate. But more of that later.

First, Sir, I should apologise for my absence on the opening day of this Legco, but may I nevertheless somewhat tardily associate myself warmly with the thanks of Councillors to you for your Address last Saturday and thank you, Sir, and Councillors, for your kind remarks about the garrison. May I also express my grateful thanks to Councillor Peck to his kind remarks on behalf of he and other Councillors. My wife, as Councillor Peck said, and I have completed ten of our twelve months here and what a fascinating, challenging, stimulating, busy, worrying and traumatic period it has been, depending on where you sit. We have re-

ceived two Royal visits and two Ministerial visits; there has been a recession in world wool prices affecting so many Islanders. Anglo United has sold back to the Islanders 27% of the Falklands landmass, incorporating arguably some of the best farming land in the Islands; and the next of kin of Argentines killed here in 1982 have visited the cemetery at Darwin. In addition, we have made progress in a number of areas, and with Council's permission I will comment on some of these and other issues.

May I start by extending the sincerest thanks of all at MPA for the continuing generosity of the Islanders, which is evinced in particular in two ways: first is the very generous gift of the swimming pool at MPA together with the equally generous contribution to the cost of its annual maintenance. I am glad to be able to report that progress is on course and we plan to hold the official opening on the 28th of August, when His Excellency has graciously agreed to do the honours. Although whether we should ask him to give a demonstration similar to David Wilkie's would no doubt be tempting providence too much. I must also express the thanks of all British servicemen to the Falkland Islanders for their quite extraordinarily generous donation to the Gulf Trust - not just this year but on an annual basis. To put this generosity into context on a per capita basis it is a remarkable fact that were the British people to be as generous, a sum of one hundred and thirty million pounds would be raised.

Continuing in the same vein, I must express my thanks for the unending hospitality and friendliness invariably shown by Islanders to military people here in the Falklands. Whether it's in terms of the provision of R & R facilities, tea after Church in Stanley or help to patrols and so on, the welcome is always very warm and we are truly grateful. As I am afraid is inevitable human nature being what it is, there are some occasions when our people stray from the guidelines they are given and in so doing impinge upon local sensitivities. There are also a number of unplanned incidents - a fire here, a broken fence there and vehicle accidents almost anywhere. For these events I apologise unreservedly, with an assurance that we really do our best to take every precaution to try and ensure that these things do not occur. Goose Green and Gibraltar Station will be pleased to hear that we've taken action to deal with the tendency for patrols to cause peat or gorse fires through the use of hexamine cookers; we are hopeful that the purchase of camping gas cookers will eradicate this threat.

There have been a number of developments this year which are worthy of mention. I am sure that the move of the BFFI Open Day from July to March is better for all concerned, certainly judging by the magnificent turn-out at MPA when 30% of the Islands' population came to share the day with us. It seemed to be popular with the public. I have no doubt, Sir, that the children enjoyed the day off from school which Exco was able to approve and from now on I hope that the MPA Open Day will be on the day following Farmers' Day in March, and that it will be possible to declare it a Bank Holiday and that it will become a firm date in the Falklands calendar.

Those Service personnel who work in Stanley now reside in Hillside Camp and we've handed over Lookout Camp. It is a great improvement and from an environmental point of view is far more pleasing to the eye. Not least, the atmosphere of the place is more uplifting than was its predecessor: I trust that the burgers of Stanley agree.

Turning now to the FIDF about which Councillor Peck commented. In my view, the enhancements in terms of guidance, advice, drive and enthusiasm envisaged by my predecessor have come to fruition with the arrival of Mr Hanlon, the Permanent Staff Instructor. This has resulted in a recent and very successful recruiting campaign and a consequent increase in the frequency with which the Resident Infantry Company and the FIDF patrol together. Providing the aspirations of Councillors to fund a new FIDF Hall and training complex can be realised, I am in no doubt that the Force can go from strength to strength. The very clear intention of this Council to demonstrate their commitment to do more for the Islands' own defence has enabled me again to approach the Ministry of Defence, to provide more positive support to the



FIDF and I hope that this will allow the Force to purchase in future, equipment at the same cost as the regular Forces. I find it most disappointing that to-date, a force such as the FIDF which is built into plans to defend these Islands alongside their regular counterparts should have to pay so much over the odds to equip itself.

Within the KEMH we have handed over hospital administration to the civil sector, although the Officer Commanding at Hillside Camp together with my Command Secretary and Force Medical Officer retains his place on the Hospital Committee. Under these new arrangements I am sure that the civil and military sides of the hospital staff will continue to work effectively together for the health of all.

And now to a subject which I know is close to the heart of many: the air-bridge, the existence of which provides an overt expression of Her Majesty's Government's commitment to the Islands. In recent times we have witnessed changes to the air-bridge due in the main to the Gulf war and in December 1990 the Tristar service, which was becoming somewhat unpredictable, was replaced by the Britannia Airways charter, thus releasing the Tristar aircraft for operations in the Gulf. I am sure we all agree that the punctuality and in-flight facilities provided by Britannia were obvious pluses, though the competitiveness of commercial airlines meant cramped seating and fast turn-rounds, the latter sometimes leading to short notice being given for amended reporting and take-off timings. Hopefully the return of the Tristar service will enable us to incorporate the benefits of both systems to our, that is the users, advantage and comfort. I am however very conscious that since the re-commencement of the Tristar service, at the beginning of May, things can hardly be said to have been satisfactory. I realise fully how frustrating this is for all concerned but I regret it was inevitable while the small Tristar fleet continued to be heavily committed in the Gulf, as it was until the end of last week. We are very hopeful that with the ending of that commitment, things will return to a more acceptable level and to be fair, weather delays apart, the situation has been much improved over the last two weeks - though I would caution a degree of patience, as the insurance of the highest standards of airworthiness from the ageing Tristar fleet against the spares back-up which does not equate to that of a commercial carrier, may mean that timings may still be flexible on occasions. Nevertheless, the Tristar service allows us to introduce a more realistic reporting for departure of 90 minutes prior to take-off, and I hope that this may ameliorate the fact that we are currently unable to provide separate departure arrangements for civilians.

Following the recent opening of the superb new FIBS studios, I am delighted that such excellent relationships exist between Patrick Watts and his staff in Stanley and Jon Knighton and his team at MPA. Together they seek to provide an entertaining and informative broadcasting service for all in the Islands and I know that there are plans, subject to feasibility, to provide an even better service in the near future. I have in mind a satellite TV service and TV coverage on West Falkland. The former will enable those who receive SSVC TV now, to receive the new BBC World Television Service, News & Sport, live and we hope that that service will start late in August or early in September.

Your Excellency, Honourable Councillors, I would now like to turn to a subject which I recognise is a sensitive one as far as all Islanders are concerned. I am speaking of the visit of the Argentinian next of kin. I think I am right in saying that most Islanders recognise that such a visit should have taken place. There was however some concern about the air, as opposed to the sea option. Our perception was that the latter was decidedly the more preferable. However for a myriad of reasons beyond our control, the air option became inevitable and this brought with it some serious security concerns, all of which it was possible to satisfy. With the wisdom of hindsight, I have to say that there is little doubt in my mind, that the air option allowed us to control events much more easily and as you know, after a great deal of detailed planning in the U.K. Embassy in Buenos Aires, London, Government House and MPA, over a period of some six months, the event went off very well. It was, if I may say so, reported by FIBS, Penguin News and BFBS with accuracy and sensitivity. For the 270 of



us at MPA who were involved it was a very moving day. I am conscious of the strong and, as I have heard this afternoon, unanimous views of Members of this Council on Argentine issues. But I would be grateful if Honourable Councillors would allow me to make some personal observations which I realise will be seen as contentious in some quarters.

In 1982 I came to the Falklands in the Task Force, to liberate these Islands from Argentine invasion. In so doing, I lost two men under my command and friends in other units. However, in spite of that experience, I had no feeling of malice for ordinary Argentinians and I had no feelings other than those of compassion for those next of kin who came to these Islands on the 18th of March this year. Having said that, I recognise fully that I am not an Islander; I have not been held prisoner for thirty days in appalling conditions as some were in 1982, and I do not have to live in Stanley or in some parts of Camp for the next 25 years or so surrounded by a permanent reminder, that is the minefields, of the Argentine invasion.

Nevertheless, I do suggest and earnestly hope that perhaps Islanders may now find it in their hearts to adjust their attitude to some of their relationships with the Argentines, notwithstanding the fact that I realise fully that Argentina's claim to the sovereignty of these Islands is unwavering. There are, I suggest, two aspects to this issue. First, formal dealings with the Argentine Government. Of course it is right for the Falkland Islands Government to maintain a robust line in such contacts. But I am sure that the decision of Councillors recently to allow the Director of Fisheries to participate in the fisheries talks last month is the right pragmatic approach to take. It is surely right for the Islands to seek to drive events. This can only be achieved by winning friends and influencing people through increasing contacts, including social ones, at all levels, which need not involve any weakening of Government principles; but, if the Islands are increasingly to take a credible place in the international community, you may judge that now is the time for an adjustment of position, which need not prejudice your very reasonable anxiety over such issues as fixed air and sea links direct with Argentina.

Hand in hand with this, perhaps now is the time also for a more sensitive attitude to be shown towards ordinary Argentinians. You may feel that an opportunity was missed on the occasion of the next of kin visit, and maybe the refusal to allow ashore the Argentinian visitor when he arrived with his English and American friends in an English yacht in April, does the presentation of the case for the Falkland Islands in its wider international context a disservice.

Honourable Councillors, I hope that I will be forgiven for having the cheek as an outsider, and a serviceman at that, to offer these personal views in this very political and extremely contentious area. I do hope that my thoughts will be taken in the spirit in which they are offered for, as I have suggested, it does seem to me that your robustness and fortitude can now be turned to give you a more positive international demeanour. I understand all the reasons why you should do likewise and as I hope all recognise by now, I am very much on your side; but it does seem to me that if current attitudes do not change in an international context, the Islands will be seen to be shooting themselves in the foot. It was Winston Churchill who said, "in war, resolution; in defeat, defiance; in victory, magnanimity; in peace, goodwill."

And what of the military future? Let me start by underlining the difficulties facing the Ministry of Defence caused by financial constraints. You will know that the Options for Change exercise is reviewing the size and commitments of all three services and there is no doubt that the level of the commitment to the Falklands will be reviewed before too long. Nevertheless, as Mr Hamilton, the Minister for the Armed Forces, made clear five weeks ago, you can rest assured that there will continue to be a significant military presence at MPA for the foreseeable future. Furthermore, as I make plain to every political and senior military visitor, I am determined that the present military arrangements are the minimum that we can sustain.

At Legco on the 23rd of April, Councillor Robson suggested that history showed that the farming of wool is liable to downturns every five years or so. If Councillors accept that that is

the case and bearing in mind the statement made by Mr Hamilton, perhaps you should be looking more to the potential market at MPA to make a contribution to the Islands in economic terms. The FIDC report on the Islands' development strategy identified a need for localised diversification in the agricultural sector of the Falklands economy. May I therefore direct your attention to the 2,500 men and women at MPA who require beef, lamb, pork and milk. Would it not be possible to identify the requisite number of suitably located farms to satisfy MPA's desires. I know that the question of local supply is not new and that there are problems which would need to be overcome. But perhaps these will not be as problematical or as expensive as some suggest. My personal view is that as we have not yet lost any lives through my people partaking of mutton or fresh milk in the settlements, or now through eating mutton sandwiches in vast numbers in the new FIC shop at MPA, we should now seek to challenge the bureaucratic view. So perhaps if we can convince them, the reservations of our food specialists may soon disappear, as it were, in the eating.

It is my impression that many Islanders believe that most servicemen hate being here. This is simply not true, although of course they do not enjoy the separation from their families. I have to say that the Falklands is the victim of a bad press in the U.K., particularly climatologically. But the men and women at MPA and elsewhere, I can assure you, get a great deal of satisfaction from the job that they do, and when they get out into Camp and see for themselves the unique attractions which these Islands have to offer, they are almost universally positively affected by the experience. We try to engender good and friendly relations with our civilian hosts but it is not easily achieved with the eternal change-over of people which means that around 6,000 men and women come through the Islands each year. Nevertheless, I am hopeful that we shall be able to achieve a measure of enhancement in our continuity by extending tours in a number of key posts, including my own, to two years. In addition, the tendency appears to be that Army regiments and corps are moving to a policy of six month tours. The Royal Signals have already done so and it is possible that we shall see Royal Engineer squadrons here on six months tours. In my view, any improvements in this area should enable us to bring closer the relationship between the civil and the military communities.

Earlier, I threatened to say more about the new management strategy. This new system of aligning defence planning to financial budgeting, came into effect world-wide in the MOD on the 1st of April, except that we do not yet know what monies are allocated to us. Whilst giving me considerable budgetary control, this system has a cash limit imposed by our Treasury masters. There is a distinct probability that my budget will be a good deal less than I require to carry out my planned role and this may mean that I cannot afford to be as helpful to the civil community as I would like. While we shall have built into our plans an ability to cover such activities, much as I regret it, I should warn Councillors that you may notice a change in what we can or would like to do, over the coming months.

Your Excellency, Honourable Councillors, I fear that I have been on my feet for too long. I am grateful to you for listening so patiently. As I look towards the end of my tour here in two months' time, may I say how thoroughly my wife and I have enjoyed our time here, for we've been so warmly and generously welcomed wherever we have been. We shall leave these lovely Islands and their delightful people with a heavy heart. It will have been a year which we would not have wished to have missed and we shall never forget. I am sure that an exciting era of great opportunity for the Islands lies ahead and I wish the Government and all its people the very best of luck in their endeavours to build upon the very splendid achievements of the past nine years. Sir, I support the Motion.

**The President**

Thank you very much.

Honourable Members, before we close I would just like to reiterate at his last Legco in addi-

tion to remarks already made, our formal appreciation for what General Hunt has achieved during his time here. I think we have all enjoyed and benefited from his lively, friendly and positive approach to our problems and issues. He has indeed shown a particular and most welcome interest and support for the FIDF; civil and military relations are in thoroughly good order generally, and this much depends, of course, on the steer from the top. I know that he and his wife Margaret have both found it a great pleasure to be in the Islands and in regular touch with Islanders, as we have enjoyed their company and it is no secret that they would both like to have stayed longer. Though we shall be sorry to see them go, however, I know we can count on them as Falkland allies in Britain.

Honourable Members, the Commander has put forward a personal view, a suggestion that in Falklands' interests there might be a cautious lessening of some attitudes towards Argentina. Such a development would no doubt be unwelcome to many, and the Commander has made it clear that he fully appreciates the reasons for that. At all events, your policy in that matter is one for you and for all Islanders to consider and decide upon. You have received assurances from Ministers that there is no wish or intention on the part of HMG to compel you to have relations with any country if you do not wish to do so.

Honourable Members, I think we can congratulate ourselves on having achieved a great deal in a shorter time than usual and certainly a shorter time than last year. Perhaps we've learnt from experience as Councillor Robson implies. Certainly, as has been rightly said, much credit must go to the Honourable Financial Secretary for this, I think he makes us all think twice before we ask for money or hint at spending it. I thank you all for the hard work you and all government department and offices have put into the Select Committee and this debate and add my congratulations to those already expressed. The budget is inevitably a difficult subject calling for much consideration and thought, a setting of priorities, and I think we have given it all that. Honourable Members, thank you very much. The House is adjourned.

Appendix A

QUESTION FOR WRITTEN ANSWER

(Asked between 21st February and 1st June 1991)

**Question 3/91 by the Honourable G M Robson:**

Although Stanley is gradually improving in terms of general tidiness and appearance could the Attorney General clarify some of the legislation in respect of such things as peat mould etc. left on public roads and pavements. Are there still laws which deal with this problem and if so are they enforceable?

Reply by the Honourable Attorney General:

I recognise that the leaving of peat mould and the like on pavements and in roads can be a source of danger to the public as well as being unsightly. There appears to be no law at present in force which enables that particular problem to be dealt with. My own personal view (but it will be a matter for the Executive Council and Honourable Members in due course) is that there is probably a need for an Ordinance which deals with a number of minor matters such as the one which the Honourable Member mentions. I would for myself instance such things as the depositing of rubble on a road, skips and similar obstructions being left in a road without adequate warning lights, trees and bushes being permitted to grow over a pavement or through a fence in such a way as to make it difficult to use a footpath with safety, trading in the street and other minor matters of a similar nature. I would not class this as a legislative priority and, indeed, there would be no need for any such legislation at all if persons invariably acted with common sense and consideration for others.

20 May 1991

*W. G. G. G.*  
*22/5/91*

RECORD OF THE MEETING OF THE  
LEGISLATIVE COUNCIL  
HELD IN STANLEY ON  
TUESDAY 24th SEPTEMBER 1991

**RECORD OF THE MEETING OF THE  
LEGISLATIVE COUNCIL  
HELD IN STANLEY ON  
TUESDAY 24th SEPTEMBER 1991**

MEMBERS

The Hon. Mr. J. G. ...  
The Hon. Mr. ...

SECRETARY

THE CLERK

MEMBERS OF THE LEGISLATIVE COUNCIL

MEMBERS OF THE LEGISLATIVE COUNCIL

MEMBERS

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**RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL**

**HELD IN STANLEY**

**ON**

**Tuesday 24th September 1991**

**PRESIDENT**

His Excellency the Governor  
(Mr W H Fullerton CMG)

**MEMBERS**

Ex-Officio

The Honourable the Chief Executive  
(Mr R Sampson)

The Honourable the Financial Secretary  
(Mr D F Howatt)

Elected

The Honourable R E Binnie  
(Elected Member for Camp Constituency)

The Honourable T J Peck MBE CPM  
(Elected Member for Stanley Constituency)

The Honourable H T Rowlands CBE  
(Elected Member for Stanley Constituency)

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

The Honourable K S Kilmartin  
(Elected Member for Camp Constituency)

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

The Honourable G M Robson  
(Elected Member for Stanley Constituency)

The Honourable G P Short  
(Elected Member for Stanley Constituency)

**PERSONS ENTITLED TO ATTEND**

The Attorney General  
(Mr D G Lang QC)

**CLERK:** Mr Anton Livermore CPM

**PRAYERS** Reverend Canon J G M W Murphy LVO MA



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## **APPENDIX A**

### **Question for Written Answer**

4/91 Honourable H T Rowlands CBE  
(FIDC Projects)

## **OPENING REMARKS BY THE PRESIDENT:**

The President opened the meeting by asking for prayers to be said. Prayers were then said by Canon G Murphy.

### **The President:**

"As all Honourable Members are aware this is an additional meeting just for the purpose of electing the three Executive Council Members for the coming year; we are having it early in order to have all the Councillors present, so I will hand over straight away to the Clerk."

### **The Clerk:**

"Election of elected members to Executive Council."

The election by elected Members of three of their number to Executive Council then took place by secret ballot. The Honourable the Financial Secretary and the Attorney General were appointed as tellers for the election. The President then announced the names of those elected, namely:

Stanley Representative	- The Honourable G M Robson
Camp Representative	- The Honourable R E Binnie
Stanley or Camp Representative	- The Honourable T J Peck MBE CPM

The three elected Councillors then swore the Oath of Secrecy.

### **The President:**

"I would like to offer my warmest congratulations to the three newly elected members."

## **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? Councillor Rowlands."

### **The Honourable H T Rowlands CBE:**

"Your Excellency, Honourable Members, I am extremely pleased that the Board of Health is now becoming active: there are many areas that require investigation and I trust that we shall see improvements in health standards in the near future.

I was very disappointed that the FIGAS office was virtually moved out of town overnight without Councillors having been advised of details of the move prior to it having taken place. A number of my constituents have informed me that it was much more convenient for them when the FIGAS office was in town; I believe the present arrangements are unsatisfactory. I trust that the Administration will now take urgent action to improve this situation.

I am pleased to learn that the Working Group on Immigration is to meet shortly. I do believe we need a board to consider applications from immigrants. During a visit to the Cayman Islands last year, I came across a law passed there in 1984 which is known there as the "Caymanian Protection Law"; it appears to work extremely well there and I believe that cer-

tain sections have merit for introducing here. I have a copy of this law and will make it available to the Immigration Working Group for assisting them in their deliberations.

I trust that the Minerals legislation will arrive shortly, for our consideration. I was pleased to receive Your Excellency's assurance yesterday evening that the recent article on the British - Argentine talks relating to minerals appearing in the Sunday Times is without foundation.

I have noticed recent correspondence in the Penguin News criticising the Tristar service. I do not support this criticism. I believe that the RAF provide us with an adequate service and I have found all personnel courteous and helpful on the aircraft, at Mount Pleasant, in Ascension Island and at Brize Norton. I have travelled with approximately forty different airlines and my favourite is the R.A.F.

Finally I turn to the weather; there is little we can do about improving it but I would like to congratulate the Met staff at Mount Pleasant on their accuracy in forecasting it.

I congratulate the three Members who have been voted on Executive Council. I beg to support the motion."

**The Honourable Mrs Norma Edwards:**

"In rising to support the motion, Sir, may I just touch on one or two subjects. The Camp telephone system: we understand is to be accepted by the 31st of October, hopefully. I think it's wishful thinking; we don't expect a perfect system, nothing is perfect, but there are all sorts of difficulties still to be sorted out with the VHF system I think. I would like to think it is in better shape than it is, when we do accept it. My own phone works very well apart from the occasional time when it broadcasts over the radio, a conversation - which is a bit off-putting to say the least, but that doesn't happen very often. But, some of the phones on the VHF system still have a lot of problems to be sorted out. I think. I tried to phone the other day to another VHF subscriber, and he could hear. He was answering the phone but I could only hear the dialling tone and another problem is that people get cut off mid conversation, and sometimes they have to dial two or three times to get through, which is quite expensive. I mention these problems because I think there is still a bit to be sorted out before we can say "yes we will definitely accept it on the 31st October". We were assured by Cable and Wireless that the system would have to be up and running at least a month before they were to be satisfied to hand it over. That only leaves them September really to get things sorted out. I think really it's as satisfactory as it is because of the Cable and Wireless staff at our end and the input from our local staff and in particular Charles Keenleyside and Chris Harris. They have kept the system going and improved it no end. So I hope we will think very carefully before the Administration does accept it on the 31st of October, because it is then our baby and we are stuck with it and I have a strange feeling that that might be a duff system anyway and will be continually worked on to keep it going. That would be a pity because we have to pay so much for it. I think as Councillor Luxton said the other day we use the two metre set and we get a far better reception and that is a radio service the same as, well not the same as the VHF, but it is a radio communication and the reception from that for £150 for a little set is far better in a lot of cases - far better than the Cable and Wireless fancy telephones. However, hopefully, I will be proved wrong and everything will be okay by the 31st October.

There has been a lot of contention lately about the roads and the link between the West and the East Falklands. I would like to assure everybody that, as I understand it, there is no stoppage of the road programme: the road programme is to go ahead. The only decision is where it goes on the East. The West I think we know where our roads are going when they do come. I do feel, I know it is said that I am against the ferry; it is not true really. I would love to get in my car and drive to a ferry point and drive to Stanley, but I have to admit that I would probably only be able to do so once or twice a year and I certainly wouldn't want to do so more than once or twice a year, because I am absolutely certain that I couldn't afford to. I want to get to Stanley as quickly as possible and out as quickly as possible and I think the majority of people on the West Island still want to be able to do that. I think a ferry is a very

expensive thing that we would, at this point in time, not be able to afford. The original plan I believe was for a small private ferry and I think the option is still there if anyone wants to take it up and if that works as well as everyone thinks the ferry will work, then we can always look at a bigger one and better one in the future years, depending on the pennies and the coffers.

I am pleased that the farm assistance is being extended until next June; I know there are some people who say, well these rich farmers, half of them don't deserve it and all the rest of it; the vast majority of them are in, or would be in dire straits if it wasn't for Government assistance at this time and throughout this next year I feel. There doesn't seem to be any chance of the wool prices increasing greatly this year, in fact, it is prophesied that they will probably decrease. So it is badly needed and much appreciated by the vast majority of my constituents.

Mineral legislation: every Legislative Council meeting we discuss when the Mineral legislation is going to come. Hopefully by the next Legislative Council we will have it here; I know we said that last year I believe "around this time". Councillor Robson and I are off to UK tomorrow and will visit the Foreign Office, so we will ask yet again if it can be hurried up and if we can have sight of it before too much longer.

I would like to reiterate Harold's comments on FIGAS. I think it makes sense that FIGAS is centralised. I can understand them wanting to be in one place, but I do think that there should be a collection point and a delivery point in town. It does inconvenience the Camp in particular, because they have to arrange to get somebody down to FIGAS to pick up things - which isn't always that easy in the Camp. Also I think we ought to look at the freight rates for perishable goods and fresh produce. There is not a great deal of difference in my mind between perishable goods and fresh produce and a different rate is charged. More freight is charged for fresh produce which really puts the price up for the few people who have been given grants to have small market gardens in the Camp. It puts the price of their vegetables up, not only do they have to pay extra freight on their produce, they now also have to pay to get it collected from FIGAS. I would like, if we could, to look at those rates and perhaps bring them both in line. Thank you Sir, I support the motion."

#### **The Honourable K S Kilmartin:**

"Your Excellency, the Falklands is changing rapidly but some problems never seem to change. Argentina is still there and this year we are talking to Argentina about fisheries and despite the fact that it has been suggested that the talks with Argentina about oil are without foundation, I suspect that shortly there will have to be consultation with Argentina about oil. As an OTC the Falklands is under pressure from the EEC as well and the outside world is impinging on us more and more. I think to a certain extent we get carried away on certain things and ignore other things. For example the arrival of a number of American tourists on a cruise boat that may or may not have been to Buenos Aires is regarded as terribly important, but I would like to suggest that the conduct of the talks which may take place on oil and which are taking place on fish are more important, and I would like to suggest that the talks with the EEC about the operation of the Falkland fishery regime are also very important.

Internally, although there has been much change, two problems still remain with us. Firstly, the Falkland Island Government remains a very expensive beast to keep. The vast proportion of our income, increased though it is by the fishery, still goes on the day to day running of Government; there isn't much left for capital expenditure and there is virtually none left to put in the bank for a rainy day.

The second thing that hasn't changed in the Falkland Islands internally is that we still have no long term development plan. The lack of any long term planning leads to a number of things, perhaps the most noticeable of these is that it tends to decrease any progress towards a fuller democracy in the Falkland Islands, because, without a long term policy plan, policy tends to be made by Administrators in a rush, in a reaction to the latest crisis. Policy should be made with deliberation by elected members and then carried out by the Administrators. The lack of a long term policy tends to mean that the policy is carried out by the Administrators soon after

they have made it in reaction to a crisis.

The way out of this dilemma, I believe, is to create the National Development Plan and the National Development Plan should be thought about and created by Islanders within the Falkland Islands. It is not something that outside consultants can do. We are a small country and the effort involved in creating a National Development Plan, and then carrying it through, is such that we have got to concentrate our resources upon it. I believe that we need to create a development and planning unit to create this plan and then to see it through. And if we are to avoid duplication and to concentrate the resources we have, specifically the manpower resources, this inevitably means that a very close look has to be taken at the achievements and the cost of the Development Corporation and it may well be that to achieve the more important goal of the National Development Plan, it will be necessary either to severely curtail expenditure within the Development Corporation or abolish it altogether. Thank you Your Excellency."

**The Honourable G M Robson:**

"Your Excellency, Honourable Members, as the Honourable Member from West Falkland mentioned we will be flying to Britain tomorrow to attend the Labour and Conservative Party Conferences and I would hope that at these Conferences we will be able to reiterate the Falkland Island point of view to as many MP's as possible.

If, as it is reported, in a newspaper over the weekend, that Britain and Argentina are to be holding high level talks on bilateral relations shortly, then I feel we should be asked our view on such matters. It seems to me that the famous "umbrella" is being subjected to a good deal of wear and tear at present and so if the talks impinge on our sovereign status then our views should be asked for and heard by those who are conducting the talks.

I too feel that we are probably going to come under more pressure in 1992 as the European Communities position becomes clearer. We may find that an increasing amount of our affairs will be determined in Europe, perhaps not always to our advantage. Last month two Falkland Islanders went to New York in order to state our case at the United Nations Decolonisation Committee. I have heard it said by some that attendance at this Committee is a waste of time and effort, but I still believe that we must use it, as it is the only international platform we can use at present and we should not lose that platform least our voice be lost altogether. I get the impression that more and more pressure is being brought to bear on us, but I still believe that until the sovereignty claim is dropped altogether, we must continue to resist all pressure which may try to link us with Argentina.

I gather from the team who went to London recently that Voluntary Restraint Agreements and licence allocation negotiations are not becoming any easier. I have mentioned in the past that I would like to see those negotiations held in the Falklands. It seems to me that to go on a 16,000 mile round trip is a little incongruous. I realise that reasons as to why it is not feasible to hold the talks here are numerous, but I am sure that any problems can be overcome. At present it seems that the mountain is going to Mohammed, and if we wish to be seen to be managing our own fishery regime, then the importance of holding all negotiations here should not be underestimated. We should be taking the initiative in this matter once and for all. It would show the world that we are serious about the management and conservation of our fishery which includes other creatures apart from squid and it does account for a substantial amount of our revenue.

Finally Sir, I hope that I will be able to justify my election to Executive Council and thus the trust that Honourable Members have placed in me. Sir, I support the motion."

**The Honourable G P Short:**

"Your Excellency, Honourable Members. In rising to support the motion I would like to perhaps make a few comments. It was with great delight that I heard the news that Executive

Council had agreed to the request from Greenpeace and our own group, The Falklands against Whaling Nations, to make the waters around our Islands a safe haven for whales and other marine mammals. This legislation cannot really come soon enough and I believe that it is the first time that I will actually ask the Attorney General to make this piece of legislation as minutely detailed as he can. This is a small but welcome step along the road to saving the whales and other marine mammals from extinction, as will surely happen if some nations have their way. We are in a quandary and as much as we may not be able to take perhaps the ultimate step as I see it of revoking licences from nations who actively pursue whaling at the moment as we depend so heavily on that source of revenue. However, if as has been hinted, hydrocarbons are likely to be explored and maybe even exploited, then we should be able to take the ultimate step against those countries who pursue the barbaric practice.

So on minerals, may I take this opportunity with the others, my colleagues, to ask that our minerals legislation be put in front of us as soon as possible and I hope that whoever is dealing with this has not succumbed to the mañana syndrome.

On farm grants, I would just like to say that I am pleased that the grants system has been extended to include the employees on the larger farms, for without the employees the large farms just would not function, and again I am pleased that the employee's part has at last been recognised.

I would like to touch on another Executive Council decision, and that is to perhaps take no notice of the petition that requested that the new school that is being built be called the "Stanley Senior School". I would publicly like to disassociate myself with that decision that Executive Council made.

Finally Sir, may I congratulate my colleagues who are now on Executive Council and hope they make their decisions wisely and stay in tune with the feelings and wishes of the public who they serve. Sir, I wish to support the motion."

**The Honourable the Financial Secretary:**

"Your Excellency, I would just like to make a comment in respect of Councillor Kilmartin's remark about money for a rainy day, and would like to confirm that we have sufficient funds for around 500 rainy days. I would also like to congratulate the three Councillors elected to Executive Council and support the motion for adjournment Sir."

**The Honourable R E Binnie:**

"Your Excellency, I didn't speak first because as I have only just returned today. I thought I should probably sit in the background and listen to everybody at first because so much seems to have happened in this, what seems to be short, two months I was away.

Honourable Members have mentioned the oil legislation and I did meet the Minister and he promised to have it out by the end of October; I just hope that he can keep this date. We also discussed the talks with the European Community about the fishing, the EEC fishing; it hasn't really started yet they are only exploring the possibility of the talks. I have put forward our concerns and asked, just what are we going to get out of it? We can get money for our licences from any country, we need a little bit more than money, and he is well aware of our concerns in that region.

Councillor Robson mentioned the fishing VRA talks. Negotiations are getting harder especially with the economic situation at the moment and with Japan with something like 120,000 tonnes in cold storage and still wanting to catch the same amount, it is very difficult to see the price rising. But I believe the negotiating team achieved more than what they expected when they set out and I sincerely hope that the association they negotiated with can bring their members into line and agree to what has been agreed.

I have read a considerable amount about Coastal Shipping. I have heard a lot of rumour, I haven't heard too much today from around this table. But I believe that it was Executive Council's decision and they instructed the Transport Committee to go away and with Coastal Shipping to put out tenders for the replacement of the Monsunen. This they did and they selected the vessel which they considered suitable. I am not aware of why, as yet, the proper reasons that this vessel was, this tender wasn't accepted by Executive Council. The one, whether it be rumoured or what, that we won't need this vessel for five years, I believe that is totally inaccurate. I think the vessel that we, the Transport Committee, selected would have started off in a slow way as working a ferry across the Sound in the time completing the work of the Monsunen and the Forrest. In five years time we would have known what we needed and what type of vessel we would need to replace the one that we could of got rid of quite easily by chartering.

The stud flock which I thought was under the hammer before I left, has finally got the go ahead and now I hear this ridiculous suggestion that we have it on an island.

Councillor Kilmartin said about policy setting. The Transport Committee and their out costs were set up by Executive Council, yet they don't seem to be prepared to take their suggestions. No doubt Executive Council has a right to turn it down, but as far as I can see you may as well scrap both Committees. Sir, I shall not say anymore because I haven't read any of the minutes on either of the subjects, but I must say I am very disappointed. I support the motion."

**The Honourable W R Luxton:**

"Your Excellency, Honourable Members. I listened to Councillor Binnie with increasing cheer. I would like to welcome him back with the close of the VRA negotiations and congratulate him and all concerned on what seems to be a successful outcome for the Falklands. I am sure we all look forward to hearing the detailed reports from all the team in due course, but hopefully our income is secured for another year.

I think we shall have to learn to live with this annual exercise which must always introduce a degree of uncertainty about just what our expenditure can be, but we shouldn't let it make us over cautious. I believe we should continue to plan on the basis of that income continuing. Because if the worst does happen then we are in a disaster situation and the changes to our whole way of life and expenditure will be pretty dramatic. We should be prepared for that, but don't let it impose a perpetual doom and gloom mentality.

There may be an alternative source of income on the horizon, and I am referring to oil of course, which many other Honourable Members have mentioned. I was a little disturbed at the report in the Sunday Times and I am glad to hear that it is unfounded, but it wouldn't be the first time that in that sort of situation that we have learnt the first news from British newspapers.

I do hope that HMG will be able to reach a sensible agreement with the Argentines to enable the resource to be exploited, but this Councillor at any rate will never ever agree to any proposal that will impinge our sovereignty over that area of the ocean that is rightly ours and in the meantime as a number of Members have mentioned we need the long awaited legislation to control the minerals exploitation. Minister Garel-Jones gave an assurance that it would be ready for this House to pass into law during this year. I hope the two Members who are going to the UK will have an opportunity to remind him of that assurance: I am sure they will if they get the opportunity. Time is running short, but I am sure that all Members will agree that this Bill will go straight to the head of the list of our priorities as soon as we have seen it.

I would like to associate myself entirely with the remarks that Councillor Binnie made on the subject of the Transport Committee and the Agricultural Advisory Committee. I think a priority for the new Executive Council has to be in terms of transport. More years ago than I really like to remember I got into serious trouble in this House for using the word "shambles"; I shall



use it again. I am afraid the Government has created, and is in the middle of, a total shambles, in particular as far as shipping is concerned. The Administration seems to be behaving like a headless chicken rushing around at the moment; the Chief Executive instructs Coastal Shipping Ltd. to close down and two weeks later the Administration is asking for proposals for the future of local shipping. I agree with Councillor Binnie, the recommendations of the Transport Committee have been totally ignored. Admittedly the Executive Council doesn't have to accept them, but the people who have been involved for many years with that Committee seem to me to fit the criteria that Councillor Kilmartin mentioned for local input on planning and development.

The road contract is chaos; nobody seems to know quite where it's going, except that a firm contract was signed for Newhaven, but that was yesterday's decision. Suggestions have been made that Coastal Shipping Ltd. is not very efficient, and hasn't been in the past, I dispute this. Coastal Shipping may not be a perfect organisation, but I would bet that time will show that it has provided a service as cheaply as anyone else can. I predict that the frantic thrashing around now taking place, will not provide a better one for the same money. I have said it before in this House that the Falklands has the opportunity to achieve an integrating and developing transport system based on roads with a link between East and West Falkland, and we still can. But the present changing of mind every five minutes has to stop. You simply cannot achieve the best and most cost effective results in such a long term development project unless firm decisions are made after due deliberation and then stuck to. Your Excellency, I support the motion."

**The Honourable T J Peck MBE CPM:**

"Your Excellency, in rising to support the motion, one or two points that I would like to refer to. One: Transport Committee. I believe that many people have misconstrued the true facts of what has actually been decided in Executive Council on the various occasions. I am not going to dwell on it, but it is very easy to make public statements without getting all the full facts.

Executive Council, and I as a member of that Council for these past two years, and a member of Standing Finance Committee, have a full responsibility towards finance in the Falkland Islands and I do not take this lightly. The decisions that I have made and no progress has been stopped, or development has been stopped in relation to roads, shipping, air service, you name it, there isn't a single thing that Executive Council decision has made which has prevented any future development from progressing. What we are saying, the Advisory Committees appear quite often to take so much on their own selves and start dictating back to the Executive Council and Standing Finance Committee and this is unacceptable. If they can present an affordable programme and paper to Executive Council in detail for the actual capital costs and recurrent costs, which is most important, and the whole economics of the developments and the transport system throughout the Falklands, well and good. So far this has not been done. It has happened with the National Stud Flock, Executive Council deferred that decision until those Advisory Committee's did their homework properly and this is being repeated by Advisory Committees and to me as an Executive Council Member, I will not just be bullied and cajoled into making a decision which may have long reaching and harmful effects on these Islands' economy. So those are the reasons why I as a Member have asked the Administration, in fact, instructed the Administration on many occasions: "Go back to these Committees, get the facts right before presenting them to Council".

I refer to another smaller matter, but most important, and it certainly caused a bit of concern locally to the commercial business sector, and this is what Councillor Rowlands referred to as the setting up of the Board of Health. I support the reformation of this committee, because I think it is most important, but I would strongly advise them not to overreact. We don't need Edwina Currys' in the Falkland Islands, and quite often this is what happens. I have not heard of any outbreak of food poisoning in the Falkland Islands; there are areas where control needs to be tightened up, lets do it, but lets do it the Falkland Island way.

VRA, the negotiating team. I noticed that at this meeting that, very little has been mentioned

of it. I have for several months been very, very concerned about the outcome of these negotiations, because our whole Islands economy depended on that team successfully negotiating an agreement and I believe that the remit from Executive Council for the negotiating team to go to London recently, I believe that they merit a very strong vote of thanks from this Council and the Islands community for they have pulled off something which I never expected. This Island can be thankful for that team.

Now, 1992, what I would like to mention is that I would like and dearly love to believe that everyone in these Islands have the same pride that I have. 1992 is Heritage Year, the Falkland Islands Heritage Year; it is the most historic occasion that I know of, certainly since 1933. In February we celebrate the Centenary of the Consecration of Christ Church Cathedral. That occasion will be attended by the Archbishop of Canterbury and members of his party, along with other guests who have been invited by the people of the Falkland Islands, not by the Heritage Committee itself, but on their behalf. The Committee itself had to identify and, we have been assisted along this with the Church Council for this historic occasion.

In June, we celebrate the 10th anniversary of the liberation of our Islands from Argentine occupation. This again will be attended by many dignitaries and VIP's along with many other guests and hopefully, being in the middle of winter, that we will have weather suited to the occasion. August, will see the 100th anniversary of the Falkland Islands Volunteer Defence Force. The whole year has been set out by the Committee along with other organisations who have organised these events. The August occasion will also be followed by the first sighting by Captain John Davis of the Falkland Islands, that is the 400th anniversary.

These are very historic occasions and I would ask that the people support them and not knock these events because we will have many people including radio, television, journalists etc. in these Islands and I would hope that everyone will have the same pride as I have said, as myself in looking at 1992 and at the end of that year being able to sit down and say thank you it has been an excellent and historic occasion, one which we will always remember with pride. Thank you Sir, I support the motion."

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

"Thank you, Your Excellency. If I tried to answer all the points here I know that I would exceed the time allowed under the Standing Order, so I will restrict myself in dealing with a number of selected topics, only in headlines. Perhaps, Your Excellency, before I do that I can mention that this is the last occasion that we will have Canon Murphy present at Legislative Council and I am sure it would be the wish of all Members here that I express our grateful appreciation to Gerry. I think his gentle and obviously affectionate way he has carried out his work on the Islands is well known and greatly admired. As I have mentioned to Gerry, there are according to my Honourable friend here, my learned friend here, a number of offences still on the Statute book that means that execution at the Tower can still take place. I believe it is to do with treason and certain offences connected with the Royal Family, and I think it is a great comfort to know that to such people, the last person they will speak to in this world will be Gerry Murphy, and if he sends them off with that happy message of knitting together hearts and minds providing they are not using the axe I am sure it will be as effective there as it has been here, Gerry.

I am delighted that Members are pleased with the progress that the Board of Health are making and there is no doubt that the Chief Medical Officer is making a real impact and we are starting to see a number of things done. His concern about sell-by dates and best-by dates have to be studied very carefully, and I am a strong believer that we should have a sail by date, s.a.i.l by date on products which would perhaps be more helpful than either of the other two.

The siting of the FIGAS office as one Honourable Member has reported was done for reasons of efficiency within FIGAS. There is no doubt at all that there is need for some alteration to the system, but it may very well be that it should not be FIGAS's responsibility to provide a delivery and collection service, but that is being examined.

The Camp telephone system. When we were in London I had the opportunity of meeting with Senior Executives from Cable and Wireless and it was their assurance that the system will be as contracted ready for hand over on the 31st of October. This was said not once but on three different occasions at the same meeting. What that means to us is that we will have our Consultant, Mr Measures, in the Island and not until he is satisfied and that he has satisfied Members that he is satisfied, will we necessarily accept what is offered as being the contracted service. So it is not a date that is being set by them upon which we will take it over. They are guaranteeing that by that date it should be ready for acceptance; if our consultant says it is, then it is, if he says it isn't, then of course it won't be and the matter will continue. Members have not been slow in bringing to my attention complaints that they have with the system and I have transmitted those on to Cable and Wireless and I promise you there is no complacency in either Stanley or London about this system.

The Honourable and learned member for East Falkland mentioned that Government was expensive. I know that he and others around this table have twice gone through the budget exercise and have twice tried hard to make cuts and adjustments, and I think that they and we have joined together in the best possible exercise that makes sure that you are getting the best value for money. Government anywhere is expensive, and to make the sort of cuts that would be meaningful in terms of real expenditure and transferring it to capital you would see some pretty drastic changes in services that people are now very much taking for granted. But as all members are aware this is a constant situation that we are always reviewing and no one can say that we are not looking for savings, and indeed when there are times when we point out as advisors to members that some matters are not affordable, that message isn't always cheerfully received.

Concerning policy, there is no doubt whatsoever, that policy is only made by elected members. It cannot be made anywhere other than in Executive Council, where you have three Members who either vote it through or don't. We have in the past two years, this Government in particular, encouraged Members to be part of the policy making process, and I think we have made some considerable way in that, and I would very much like to see that continue.

The overall plan that I was presented with when I arrived here in 1989 as the development plan, was the Prynne Report. Now it happens that we have reached the stage where the Prynne Report is almost "mission accomplished" and over the past 18 months we prevailed upon the Chief Development Economist on a number of occasions to update that plan, to produce a more forward looking plan, and that hasn't yet come about. Since we had the Economic Advisor to the Treasury appointed, the man as has been explained has had to react to crises in a number of areas in Government, but I think he together with other officers who would very much like to have Members involved can get on with a policy planning programme.

The Honourable Member has submitted a paper that has yet to be considered concerning changes that may be made and the formation of a Policy Planning Group, which I am not against. I do think however, that great care must be taken in considering the future of the Falkland Islands Development Corporation. I believe careful study should be taken of the very detailed answer that was given to a written question and I think if one looks at that objectively, you can see that there are many, many assets that have come to the Islands; a whole host of activities that may or may not have taken place. I believe that the Islands is a very much richer place and better provided place for the Development Corporation, and at a time when most other regions and countries are setting these things up, I think one would want to be very, very certain that any radical change should be made to that organisation. And you have already before you the legislation that gives you even greater day to day control of the Corporation should you feel that that is merited.

I note the point made about the Committee of 24. My concern about that being the only international platform is one that I share with Members, but I really think that it is rather like taking the case for fox hunting to an anti-blood sports committee, and for the Falklands to be saying, we want to be a Colony, to a committee that is set up on anti-colonisation, is really not

the best forum and I think what one of the targets that perhaps this Government should set itself is to find an alternative, more creditable platform where that international argument can be put forward.

I am grateful for the comments that were made about the fishery negotiations. I really didn't think that we had a chance of reaching the agreements that we did, when we left the Colony. We have in the Director of Fisheries an outstanding performer and John Barton played a very very key role in these negotiations. We had considerable support from Imperial College and I think before we can see ourselves in a position to host these negotiation meetings in these Islands, which I would very much like to happen, we have to be assured that John's department, has to be in a position to be able to provide, the considerable amount of data and programming that Imperial College are able to do very, very quickly indeed.

Concerning legislation on whales, it is always a mistake to encourage my learned friend here to be more than specific in drafting anything, but I am sure he took the observation in good part and realises you didn't really mean it, but it may well be that while we are considering whales, the matter of drift net fishing in the Falkland waters may also be considered.

Concerning the matters of Coastal Shipping and Transport Committee that were raised. Again no decision has been taken other than that that has been agreed or deferred by Executive Council. It is no part of the Administration's role to act independently of Executive Council. It seems to me, and a decision having been taken to consider the withdrawing of the subsidy from Coastal Shipping from October, next year and to seek from local companies proposals on how they would provide a coastal shipping service gives local companies exactly what Council wanted to see them have when we were discussing the FIPASS contract. Here is a unique opportunity for people who are in the Islands who are in some way involved with marine life, who want to be closer involved with fisheries or shipping, who through Government actually providing the funds for one of the few occasions it will be a time when a local company will not need to have the capital to set this up because the Government will have to pay the subsidy. What the Government is looking for is what the gallant and Honourable Member for Stanley explained, an affordable system. It is not that we shouldn't have a system, but any system we have has to be affordable, and I think that is all that is required.

I echo the comments on Heritage Year, Sir, and am delighted to note that some considerable progress is being made and the Government are entirely behind the Committee in cooperating to make it a very memorable year. I support the motion Sir."

**The President:**

"Honourable Members we have come to the end. I should just like to endorse the vote of thanks expressed to Canon Murphy who has read the prayers at the deliberations of Legislative Council for the last four and a half years, and thank him again for that and more importantly for all that he and Mrs Murphy have done during their time in the Islands. We wish them all the best at their next appointment at the Tower. Honourable Members the meeting is adjourned, thank you."

## Appendix A

### QUESTION FOR WRITTEN ANSWER

(Asked between 7th June and 1st October 1991)

**Question 4/91 by the Honourable H T Rowlands CBE:**

Will the Chief Executive please list the projects undertaken by FIDC since its inauguration showing both the failures and successes plus FIDC's cost effectiveness?

**Reply by the Honourable The Chief Executive (Amended for publication)**

- 1.1 In tackling this very broad ranging question we produced the following list of schedules which have been provided in full to Elected Members. For reasons of commercial confidence these cannot be published and are not attached to this amended paper which is unaltered in every other respect.
- a) **Loans** - a list of all loans advanced showing the name of the recipient, the project or business, amount of the loan advanced, current status of the loan (whether repaid, continuing, etc).
  - b) **Hire Purchase** - a list of all hire purchase agreements showing the hire purchaser, the nature of the business, amount of FIDC assistance and current status of the business.
  - c) **Enterprise Grants** - a list of all enterprise grants taken up (any approved but not taken up are not included) showing the recipient of the grant, the proposed project, level of grant and current status of the business.
  - d) **Special Grants** - a list of all grants given showing the recipient, the project or business assisted, amount of the grant and current business status. It should be noted that virtually all the project grants were part of a package of assistance (ie with other loans, HP or equity).
  - e) **Interest Relief Grants** - a list of all the interest relief grants showing the name of the recipient, the project, maximum level of relief payable, period of relief and current status of the business.
  - f) **Equity Investments** - a list of all equity investments showing the company name, nature of the business, amount invested and percentage shareholding, current status of the business and any plans for disposal of the shareholding.
  - g) **Training** - a list of all training funded for individuals, groups and general programmes, showing the individual trained, type of training, cost of assistance and the location the training was undertaken.
  - h) **FIDC Assets** - a list of all the major assets purchased by FIDC detailing the asset and its use, cost at time of purchase, annual rental received if any and current status of the asset (leased, sold, etc).
- 1.2 Various analyses are carried out to try to:
- a) evaluate the overall effectiveness of FIDC support;
  - b) determine whether any business sector is particularly vulnerable to failure;
  - c) assess recipients' attitudes to training and aftercare services, whether they are required

and where improvements can be made;

d) evaluate which forms of assistance have been most/least effective.

1.3 Agricultural grants and farm purchases/resales have not been included in any part of this exercise.

All fisheries activities through SFL have not been included in any part of this exercise.

## 2 Analysis of Schedules

2.1 From the schedules we have extracted and tabulated information showing the total amount of assistance given by type.

TYPE	TOTAL	ACTIVE	SOLD	CEASED TRADING
Loans	54	33	14	7
Hire Purchase	15	11	3	1
Enterprise Grants	76	55	4	17
Special Grants	29	23	4	2
Interest Relief Grants	11	10	1	0
Equity Investments	21	17	4	0
	---	---	--	--
Total	206	149	30	27
	---	---	--	--
%	100	72	15	13
	---	---	--	--

Those assisted businesses shown as "active" in the above tabulation are still in business under the same ownership and carrying on basically the same type of business. Those shown as "sold" are active businesses not in the ownership of the original applicant. All those who have ceased trading are no longer involved in the business for which the assistance was given.

2.2 We have not included Training or FIDC Assets in the tabulation since they do not fit the trading/non-trading profile. There have been in total 48 training grants given, 43 to individuals and 7 for group training sessions. It is extremely difficult to assess the effectiveness of training other than looking at each individual case.

Of FIDC's owned assets 10 are leased to businesses at a rate of return normally around 7.5% of capital cost, 4 are leased at no current rental since the business is judged to be unable to pay, 8 have been on-sold and 7 are experimental or own-use, and one (Lookout) is still under development. It is the policy of the Corporation to dispose of owned assets where possible at not less than the written down value; where it is not possible to obtain this price in current circumstances the asset will be retained.

2.3 We have also re-worked the information in the schedules to show the numbers of businesses assisted by sector. It will be noted here that total numbers are less than above which may include more than one type of assistance for a business; in this analysis any one business, regardless of the numbers of times it has received assistance, is shown only once.

This tabulation is similar to that above in the use of the terms "active", "sold" and "ceased trading".

SECTOR	TOTAL	ACTIVE	SOLD	CEASED TRADING
Construction/Building	16	11	1	4
Manufacturing	12	12	0	0
Food Production	18	12	4	2
Retailing	37	27	9	1
Tourism	27	19	3	5
Services	43	30	5	8
Others	7	7	-	1
	---	---	---	---
Total	160	117	22	21
	---	---	---	---
%	100	73	14	13
	---	---	---	---

- 2.4 From both of the above tabulations the "failure rate" is 13% - ie those who have ceased trading from a development point of view are failed businesses. This does not necessarily pre-suppose that the businesses in fact lost money or became insolvent, but that it no longer functions. The figure that stands out most clearly from tabulation 2.1 is the rate of failure of enterprise grants which is 22% (17 out of 76). There is also a very discernible trend to this - most of the failures are from the earlier years, and many just lasted the required two years before closing. This is not surprising since the application formalities are minimal and any obligations to repay lapse after two years. This is, of course, a deliberate policy, but one we should review in amending the Policy & Procedures Manual.
- 2.5 On the basis of the information and results above the rate of success of assisted businesses must be rated as very high - 87% still in business with no evidence that this trend will change dramatically.
- 2.6 We have further reworked the data from the schedules to show assistance by year with numbers assisted and value of assistance. The major trend to be seen from this is the major asset expenditure in 86/87. This fell off in 1988 when SFL became a major investor in fixed assets and remained at lower levels from 1989 onwards under new management.

In tabulating FIDC Assets we have, as far as possible, tried to keep single project costs to one year rather than spreading them out (eg all MPA Shops costs are in 1987 as one project). We have not taken any account at any stage of income from sales (ie all expenditure is gross).



2.6 Project Assistance by Year, Number & Value:

	1984	1985	1986	1987	1988	1989	1990	1991	Total	Av. Assistance per Applicant	
Wire Purchase	-	2	36073	3	43835	-	4	1	15	345,956	23064
Loans	6	14	115223	12	160306	2	4	5	54	1251472	23175
Enterprise Grants	-	9	17000	15	54000	6	12	5	76	187353	2465
Special Grants (projects)	-	5	36500	2	17000	2	6	3	23	158169	6877
Special Grants (social & environmental)	1	-	2370	1	-	3	-	-	6	159601	26600
Interest Relief Grants	-	-	-	-	-	3	-	-	11	157701	14336
Equity Investments	3	1	15000	6	15001	2	3	-	21	385310	18348
Training	3	1	10200	1	5532	6	8	12	50	178174	-
FIDC Assets	3	2	539500	4	188600	1	2	1	30	2601850	-
TOTALS	16	34	891040	44	484274	25	42	32	286	5425586	-

### 3 Quantitative Analysis of Data 1986-1990

- 3.1 The second part of this analysis was carried out in 1990 by FIDC staff to establish the effectiveness of FIDC assistance by business sector, and estimate what overall private sector revenue had been generated by assisted projects. Whilst the exercise has not been completed to our satisfaction, it does serve to illustrate certain important ratios between levels of assistance and return, and the size of the private sector resulting from FIDC activity.
- 3.2 Quantitative information was collected by a team of three staff plus the Development Economist; they assisted recipients to complete questionnaires where necessary. It remains a fundamental weakness of the Falklands economy that we have so little data to work with, eg to assess the size of the private sector, to see trends in particular industries and in imports. The Development Corporation has on occasions considered this problem but does not have the administrative resource to dedicate to the task.
- 3.3 The completed questionnaires were coded and entered into a computer-operated database and the various tabulations and charts were prepared. It must be stressed that these relate only to financially assisted businesses (those who have received loan, grant or equity assistance) and should not be taken as a complete picture of private sector activity.
- 3.4 **Job Creation:** The first piece of information extracted from the database concerned job creation, to assess how many full and part-time jobs had been created through assisted projects. Those jobs which were already existing were discounted. The result is tabulated below:

SECTOR	FULL-TIME	PART-TIME
Construction/Building	31	3
Manufacturing	17	2
Food Production	9	2
Retailing	24	7
Tourism	21	24
Services	24	8
Other	-	2
TOTALS	126	48

3.5 **Sales Generated from Assisted Businesses:** All assisted businesses were asked to provide sales figures for the period to end 1990.

It proved not to be possible to assess sales before 1986, but the following sales figures have been provided or assessed for all assisted businesses:

YEAR	£ (SALES)
1986	1,450,000

1987	1,680,000
1988	2,700,000
1989	3,600,000
1990	4,000,000

3.6 **Corporation Expenditure:** In order to compare total Corporation expenditure with revenue generated the following figures have been extracted from Consolidated General Revenue Accounts of the FIDC Annual Report and Accounts (less amounts paid in agricultural grants). The excess of expenditure over income for the years 1986-90 were:

YEAR	CONSOLIDATED EXPENDITURE	CONSOLIDATED INCOME	AG GRANTS	TOTAL EXP' TURE
1986	1,406,613	59,573	-	1,347,040
1987	1,646,874	328,190	-	1,318,684
1988	2,048,487	636,775	80,102	1,331,610
1989	2,441,354	729,965	268,487	1,442,902
1990	2,657,974	750,000	464,500	1,443,474

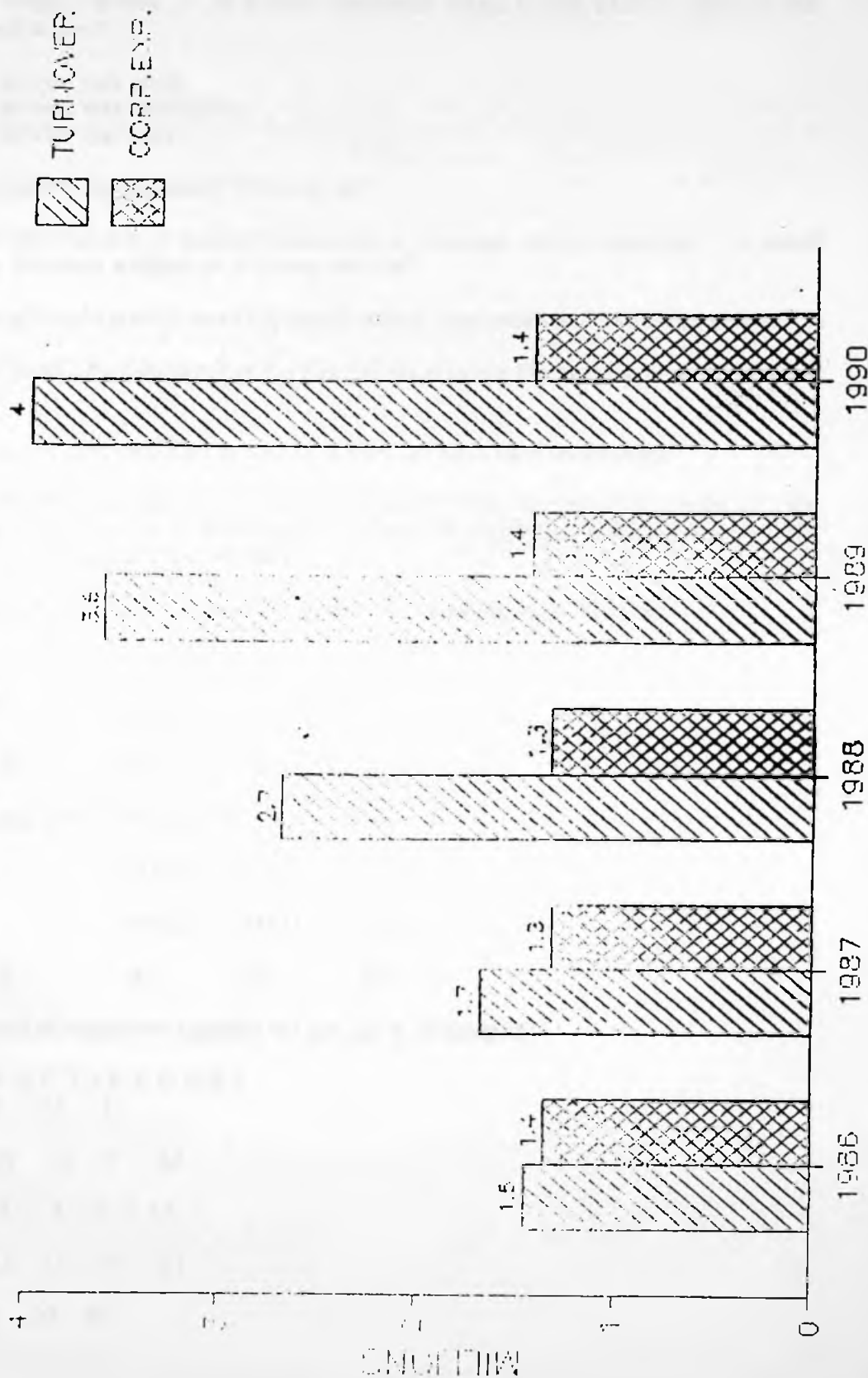
The total expenditure figure is the one used in the attached graph to show revenue generated against FIDC expenditure. It should be noted that due to change in year end in 1989 it has been necessary to assess total expenditure assuming an equal spread throughout financial years 89/90 and 90/91. In any event this would not make a significant difference to the overall result which shows in 1990 assisted businesses with revenues 2.78 times total FIDC assistance in that year, 2.78 times expenditure in the previous year, and revenues in 1989 2.71 times total expenditure in 1985. This trend must be judged as very healthy.

3.8 **Other Ratios:** The following average ratios were also extracted from the database:

Sales Revenue/Investment	166%
Sales Revenue/Equity	291%
Sales Revenue/Employee	£22,154
Return on Investment	23%
Return on Equity	40%
Profit/Employee	£3,053
Profit on Revenue	14%
Wages per Employee	£5,347

Obviously since these are averages they have little meaning in relation to any individual business. However, it is most encouraging to see that they mainly fall into acceptable ranges of performance. The one ratio which looks the least acceptable is wages/employee; this is partly explained by the substantial proportion of part-time workers in the private sector, and also the preponderance of owner managers who take wages from profits not drawings. This should not, therefore, be a matter of great concern. All the current evidence is that the private sector is paying wages above Government levels to attract staff.

# 3.7 TURNOVER GENERATED FROM ASSISTED BUSINESS COMPARED TO TOTAL CORPORATION EXPENDITURE



4 Aftercare and Attitudes

Respondents were also asked to evaluate the aftercare service provided by FIDC, and to assess how much of the growth reported in economic activity they attributed to assistance from FIDC.

4.1 **Aftercare:** From a sample of 30 diverse companies asked to rate FIDC's aftercare service from good to poor

34% felt the service was good  
 24% felt the service was satisfactory  
 42% felt the service was poor.

The key questions to be addressed from this are

- a) in view of the success of assisted businesses is aftercare really important - ie would results be any different without an aftercare service?
- b) even if the aftercare service were expanded and/or improved would attitudes change?
- c) would additional aftercare services be cost effective given the already high success rate of businesses?
- d) would increased aftercare simply lead to greater reliance on free services?

4.2 **Attitudes to FIDC Assistance:** In order to evaluate from the recipient's point of view how much of the growth in economic activity could be attributed to FIDC involvement, two attitude seeking questions were asked.

a) How important was FIDC support in starting or expanding your business?

Answers were:

	HIGH	MED	LOW
%	44	15	41

b) How effective was FIDC support?

Answers were:

	HIGH	MED	LOW
%	41	29	30

Putting both sets of responses together we get (in % of sample):

I E F F E C T I V E N E S S				
M	H	M	L	
P				
O	H 26	14	4	- 44
R				
T	M 4	4	7	- 15
A				
N	L 11	11	19	- 41
C				
E	41	29	30	

Some observations from the staff carrying out the survey were:

- i) Where there was equity participation respondents tended to answer high on both scales.
- ii) Enterprise Grant recipients tended to answer low on both scales.
- iii) In other cases (loans, HP, etc) the positiveness/negativeness related closely to the degree of involvement of staff in the business.

These observations are not surprising. Somebody who has had an enterprise grant of £2,000 - £3,000 to start up a business is unlikely to see this as very important by the time his business has grown to turn over say £100,000 per annum. Similarly any business in which the Corporation has major funding and therefore more closely involved is likely to rate importance rather higher. It is noticeable that irrespective of the level of importance attached, 70% regarded FIDC assistance as effective.

## 5 Conclusions

It would be dangerous to draw anything but broad conclusions from these two forms of analysis. There is good evidence, however, that the Corporation's role to date has been effective and resulted in a substantial volume of private sector activity. Given the bank's great reluctance until recently to be involved in commercial lending or even asset-based funding, it is unlikely that this volume of business could have been generated without a body like FIDC.

The questions for the future are whether commercial lending can take over FIDC's role, and whether the assets (physical and personnel) in the Corporation can be better utilised in some other form.

Will  
reputal



Confirmation Copy

RECORD OF THE MEETING OF THE  
LEGISLATIVE COUNCIL  
HELD IN STANLEY ON  
FRIDAY 22nd NOVEMBER 1991



RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL

HELD IN STANLEY

ON

FRIDAY 22ND NOVEMBER 1994

**PRESIDENT**

His Excellency the Governor  
(Mr W H Fullerton CMG)

**MEMBERS**

Ex-Officio

The Honourable the Chief Executive  
(Mr R Sampson)

The Honourable the Financial Secretary  
(Mr D F Howatt)

Elected

The Honourable R E Binnie  
(Elected Member for Camp Constituency)

The Honourable T J Peck MBE CPM  
(Elected Member for Stanley Constituency)

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

The Honourable K S Kilmartin  
(Elected Member for Camp Constituency)

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

The Honourable G M Robson  
(Elected Member for Stanley Constituency)

The Honourable G P Short  
(Elected Member for Stanley Constituency)

**PERSONS ENTITLED TO ATTEND**

The Attorney General  
(Mr D G Lang QC)

**CLERK:** Mr Anton Livermore CPM

**PRAYERS** Reverend Canon Palmer LVO

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#### **APPENDIX A**

##### **QUESTIONS FOR WRITTEN ANSWER**

- 5/91 By the Honourable H T Rowlands CBE  
(Reciprocal Visits)
- 6/91 By the Honourable H T Rowlands CBE  
(Flights between Britain and Argentina)
- 7/91 By the Honourable T J Peck MBE CPM  
(Single Unit Housing)
- 8/91 By the Honourable H T Rowlands CBE  
(Foot and Mouth Disease)
- 9/91 By the Honourable R E Binnie  
(Convention of Maritime Ports)

**The President:**

Honourable Members before we turn to the business of the agenda I should like to ask the Chief Executive to read out the Proclamation which I issued at 9.30 this morning on the Continental Shelf.

**The Honourable the Chief Executive:**

Your Excellency thank you very much. If I can perhaps limit myself to only producing an extract of the Proclamation: it has of course been displayed on various notice boards and it is available for those who wish to have the full details of it.

It is Proclamation No. 1 of 1991. It is issued in the name of Her Majesty Queen Elizabeth the second and it is by Your Excellency. The Proclamation is as follows:

- "1. Any rights exercisable over the seabed and subsoil of the continental shelf, including the natural resources thereof, beyond and adjacent to the territorial sea around the Falkland Islands are hereby vested in Her Majesty.
2. In addition to that area of the continental shelf described in Article 2 of the Falkland Islands (Continental Shelf) Order of 1950, the areas of the continental shelf around the Falkland Islands within which rights mentioned in section 1 above are exercisable comprise:
  - (a) the area defined in section 2 of Proclamation No. 4 of 1986 (that is the Falkland Islands Conservation Zone);
  - (b) the area defined in section 2 of the schedule to Proclamation No. 2 of 1990 (that is the Outer Conservation Zone);
  - (c) any such area designated by a further Proclamation as an area within which any such rights are exercisable.

All such areas are hereafter referred to as designated areas.

3. Her Majesty will exercise the same jurisdiction in respect of the exploration and exploitation of designated areas, including the natural resources thereof, as She has in respect of those matters in the territorial sea of the Falkland Islands subject to such provision as may hereafter be made law for the exploration and exploitation of the designated areas, including the natural resources thereof.
4. This Proclamation becomes effective forthwith."

It is "given under my hand and the Public Seal of the Falkland Islands Government at Government House, Stanley, the Falkland Islands, this 22nd day of November in the year of Our Lord One Thousand Nine Hundred and Ninety One"; and it is signed "W H Fullerton, Governor".

God Save The Queen

Your Excellency, this represents that a significant step has been taken that will enable the Falkland Islands Government to identify the mineral potential of the continental shelf. At a later point in today's proceedings I will present under a Certificate of Urgency a Minerals Bill for the consideration of this House, thank you Sir.

**The President:**

Honourable Members I should say here that Air Vice Marshal Beer, the Commander British Forces regrets that he is unable to be present with us at the moment, because of the alteration in the date of today's Council but hopes to join us as soon as he can. Unfortunately Councillor Rowlands is unwell.

### **CONFIRMATION OF THE RECORDS**

The Records of the meetings of Legislative Council held on 1st - 6th June 1991 and 24th September 1991 were confirmed without amendment.

### **PAPERS TO BE LAID ON THE TABLE BY THE HONOURABLE THE CHIEF EXECUTIVE:**

Copies of Subsidiary Legislation made or approved by the Governor in Council since the 23rd April 1991.

The Licensing (Revocation) Regulations 1991  
The Navy Point Buildings Designation Order 1991  
The Transhipment (Fees) (Land Stores) Regulations 1991  
The Permitted Hours (Public Houses) Regulations 1991  
The Fishing Licences (Applications and Fees) Regulations Order 1991  
The Driving Licence (Fees) Regulations 1991  
The Stanley Airport (Amendment) Regulations 1991  
The Coins (Her Majesty the Queen Mother's 90th Birthday) Order 1991  
The Coins (Save the Children Fund) Order 1991  
The Pensionable Offices Order 1991  
The Income Tax (Amendment) Ordinance 1991 and Income Tax (Amendment) (No2) Ordinance 1991 (Correction of Errors) Order 1991

### **QUESTIONS FOR ORAL ANSWER**

**Question Number 32/91 by the Honourable R E Binnie:**

Your Excellency, what entitlement do Falkland Island residents have on the United Kingdom/Falkland Island RAF Tristar service?

**The Honourable the Chief Executive:**

Your Excellency, there are a number of concepts that have grown to be accepted in people's minds concerning the carriage of civilians on the Tristar. The Right Honourable Margaret Thatcher MP is attributed with initiating and committing a civilian passenger element of the airbridge. The facts are that the sole written entitlement of Falkland Islanders to travel on the UK/Falkland Island Tristar service is contained in a joint policy statement made by the Ministry of Defence and the Foreign and Commonwealth Office. Although this statement expired on the 31st March 1990, I understand that it remains a current policy. The relevant extract confirms that the aim of the Tristar service is to, "provide a safe, regular and reliable air-link between the United Kingdom and the Falkland Islands in support of the Falkland garrison and to convey other passengers and freight in the absence of a commercial air service".

As is to be expected, and as I am certain is fully understood, the operational tasking of the Tristar lies with the Commander British Forces and operational circumstances will dictate the availability of the facility. But I know that Honourable Members are more than pleased that we have the availability of using this facility and entitlement.

**The Honourable R E Binnie:**

Thank you Sir. The Chief Executive said that the current policy was "out of date". Is there any intention to update it, or change it in any way?

**The Honourable the Chief Executive:**

Sir, I understand that in the Ministry of Defence there is a policy review under way and we have been assured by Lord Arran, the Minister of State at the Ministry of Defence, during his recent visit to the Falkland Islands, that the Foreign and Commonwealth Office, who are of course aware of Falkland Island needs, will be consulted about this document.

**The Honourable R E Binnie:**

Thank you Sir.

**Question Number 33/91 by the Honourable W R Luxton:**

Will the Government please detail exactly what discussions, if any, have been held with the Argentines on our behalf in respect of any matters which could effect what Falkland Islanders may consider to be their rights under international law to exploit any resources on our continental shelf and/or within 200 miles of our coastline?

**The Honourable the Chief Executive:**

Your Excellency, I am obliged to the Honourable Member for his question. It reflects the genuine concerns of many thinking people in these Islands. Your Excellency will appreciate, although others may not be so generous, that I can only deal with facts and therefore cannot address what Islanders may consider to be their rights, but I can answer on the specific.

As is to be expected, Her Majesty's Government is in regular contact with Argentina on a growing and improving commercial relationship between those two countries. I am advised, that in particular, there have been no discussions with Argentina on the exploitation of mineral resources within the defined area of the Honourable Member's question.

Honourable Members are aware from discussions with Your Excellency, and others, that the Argentine Government has recently been informed of the action to be taken in respect of the Proclamation (that has recently been announced) and also of associated legislation that may be enacted by Honourable Members.

**The next three questions were introduced prior to a single answer being given.**

**Question Number 34/91 by the Honourable R E Binnie:**

What is FIG's policy with regards to a coastal shipping service around the Falkland Islands?

**Question Number 35/91 by the Honourable W R Luxton:**

Will the Chief Executive please tell Council exactly what arrangements have been made by the Government for the efficient future delivery of cargo to and collection of produce from Camp ports.

**Question Number 36/91 by the Honourable Mrs Norma Edwards:**

Not so long ago we were informed that the useful life of the MV Monsunen was virtually at an end. We are now told that she may be chartered for yet another two years. Can the Honourable the Chief Executive enlighten us as to the present position of Coastal Shipping, its management and future intentions.

**The Honourable the Chief Executive:**

Your Excellency, Falkland Island Government policy with regards to the coastal shipping service is of course a matter for Executive Council and the final details of such a policy have yet to be established. Therefore the policy, and necessarily any operational aspects that will follow from that policy, cannot be provided at this time.

In September, Executive Council agreed a number of points which will form part of the basis of a policy on coastal shipping services. These included the objective to maintain current levels of service, the desirability to employ local maritime labour, and the intent of Government to finance an affordable coastal shipping service for the foreseeable future.

It was also agreed to request proposals for the provision of future coastal shipping services from interested parties. Some preliminary proposals are in hand and serious interest has been expressed by several parties. Suggestions on the future course of action are presently before Executive Council for consideration.

A report from an independent surveyor at the last dry docking recommended replacement of the vessel as soon as possible. Design features of the Monsunen will not meet the present requirements for a Safe Manning Certificate and two incompatible methods of construction and maintenance, riveting and welding, lead to stress with resultant leaking. It had been on this basis that Coastal Shipping Limited and the Transport Committee were investigating its replacement. A proposal from an interested party includes an option, the continued use of the Monsunen for an additional period beyond October 1992 based on quote "expert advice" unquote.

I am advised that Coastal Shipping Limited plans to continue to provide coastal services with the use of the Monsunen and the Forrest until October 1992. The board of Coastal Shipping Limited has decided not to bid for future provision of a coastal service. Thank you Sir.

**The Honourable W R Luxton:**

I thank the Chief Executive for that reply. What consideration has Government given to the future smooth onward shipping arrangements for wool when it is being transported to Stanley?

**The Honourable the Chief Executive:**

Sir, we are satisfied that that can be taken care of until October 1992, and we believe that steps are in place that will allow us to continue with the type of efficient service that has been provided in the past, but at a more affordable cost.

**The Honourable W R Luxton:**

One other aspect of this, particularly with reference to produce, is the current situation, of course, that wool is loaded from the farms and the farm doesn't pay the freight until the wool has actually arrived in Britain when the whole charge is made. Can the Chief Executive give some assurance that that type of advantageous cash flow situation will continue after 1992?

**The Honourable the Chief Executive:**

Your Excellency, I couldn't give that particular assurance at this stage but I think that the policies and actions of this Government, in support of the agricultural community, have indicated that they would never consider imposing any charge that is unfair or un-affordable by the agricultural community.



## ORDERS OF THE DAY - BILLS

### The Criminal Justice (Amendment) Bill 1991

The Honourable the Chief Executive:

Your Excellency, this Bill the Criminal Justice (Amendment) Bill 1991 follows on from the Criminal Justice International Co-operation Act of 1990.

It provides specifically for measures to implement the United Nations Convention against the illicit traffic in narcotics, drugs, and psychotropic substances signed in Vienna on the 20th December 1988. This Vienna Convention has it is understood, been applied by the United Kingdom to all its dependent territories, the Channel Islands and the Isle of Man; it is necessary therefore to enact legislation to give effect in Falkland Islands law to the Vienna Convention.

The Bill will bring the Falkland Islands into conformity with the Commonwealth scheme on mutual assistance in criminal matters. The Falkland Islands has in part already implemented this scheme, by the Criminal Justice Ordinance 1989 and the Drug Trafficking Offences Ordinance 1989 and, at a London Conference at which one of our Honourable Members attended, convened by the United Kingdom Prime Minister in 1989, gave assurances that the full scheme would be implemented. It should be stressed that the scheme and Part II of the Bill are not related to drug related offences. I 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, in rising to support this Bill, I believe that I was the Elected Member who attended the International Drugs Conference in April 1990; it was during that period that I realised how backward some of the major nations in the world were in having the legislation up front to combat the seriousness in drug trafficking. I believe that we have shown many other nations in the world that we have taken the initiative ourselves in introducing such legislation throughout the Commonwealth countries; and I think we probably are certainly a forerunner in this, and I think we can be very proud of it. Thank you Sir.

The Bill was then read a second time. In the Committee stage the following amendments were made:

The Attorney General:

Your Excellency, at the beginning of the Committee session of this Bill may I draw attention to the need to make certain amendments, not of principle but of detail, in Part III of the Bill and to correct a few small typographical errors.

If Honourable Members would please refer to Part III of the Bill at clause 12 (and Honourable Members have received, I believe, a note which sets out the sections as they will read or clauses as they will read consequent to such amendments), in clause 12 (1) I would ask the House to consider an amendment of the definition of "British ship" to the following definition "British ship means a ship registered in the United Kingdom, the Isle of Man, the Channel Islands, the Falkland Islands or any other Colony of the United Kingdom".

To amend the definition of a "Convention State" so as to read "Convention State means a state other than the United Kingdom which is a party to the Vienna Convention and any country or territory of such a state to which it has applied that Convention".

Then there would also be amendments to clause 12 (3), so that clause 12 (3) will read "If in

any proceedings under this Ordinance any question arises (a) as to whether any country or territory is a state; (b) whether any state, country or territory is a convention state, a certificate issued by or under the authority of the governor shall be conclusive upon that question".

In clause 19 (1) I would ask Honourable Members to consider the amendment of that clause so as to read: "19 (1), This section applies to a British ship, a ship registered in a convention state, and a ship not registered in any country or territory".

In clause 19 (3): in the third line the deletion of the word "state" and the substitution for the word "state" of the words "country or territory".

The deletion in its entirety of clause 19 (5) as appearing in the gazetted copy of the Bill, (and the reason for that is the provisions of that clause have been moved into the interpretation clause, clause 12, so that clause 19 (6) becomes clause 19 (5)).

The correction in the third line of clause 20 (1) of the word "offices" to the word "offences": that is a typographical error appearing in the printed copy of the Bill.

In clause 20 (2): the deletion of the words in the fourth line "other than United Kingdom". Again, that has been dealt with by the amendments, it is consequential on the amendments to clause 12 I have just mentioned.

And in clause 20 (4): the last word "state" to be replaced by the word "territory".

In clause 20 (6): the deletion of the entire clause.

In clause 21 (3): second line, the replacement of the words "section 20" with the words "section 19"; that corrects an incorrect cross-reference.

The deletion of subclause 21 (4); that is the last subclause of clause 21.

I would also ask Honourable Members kindly to consider correction of the following four typographical errors: the reference in clause 16 (1) to the "Criminal Justice Ordinance 1988" should be altered to a reference to the "Criminal Justice Ordinance 1989".

In clause 17 (1): first line alter the word "whereby" printed as a single word to the words "where by" as two words.

In clause 17 (4): paragraph (b), a (similar alteration to the first typographical error I mentioned) the amendment to the reference to the "Criminal Justice Ordinance 1988" to the "Criminal Justice Ordinance 1989" and in "schedule 4" to the Bill paragraph 2, after the word "insertion" there should be placed, that is to say inserted, the word "of". All those amendments I have proposed have been circulated to Honourable Members in advance.

**In the Committee stage the amended clauses 1-29 and schedules 1-4 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.**

### **The Family Allowances (Amendment) Bill 1991**

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

Your Excellency, under the present provisions of the Family Allowances Ordinance 1960, there is no age restriction for the payment of allowances in respect of children who are waiting admission to or are receiving full time instruction at any educational establishment.

The provisions of this Bill limits the payment of family allowances so they are only payable in respect of children under the age of nineteen years. 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 G P Short:**

Your Excellency, Honourable Members, I think this is the right juncture. I have a query on the Bill which I would like to put.

Having read through it, I think I have read it right; if a person under eighteen is taking, what I think is known as a sabbatical, a break between courses, and is in full time employment will family allowance still be paid?

**The Honourable the Financial Secretary:**

As far as I am aware if the child is earning income in their own right then family allowance would not be payable.

The Bill was then read a second time. In the Committee stage the following amendments were made:

**The Attorney General:**

Your Excellency, in clause 2 paragraph (a) of the Bill, part of the marginal note has unfortunately been dragged into the text, those are the words in brackets "No 9 1960", they should please be deleted, it is a typographical error and one I hadn't spotted at the time the Bill was printed in the Gazette.

**The Honourable the Financial Secretary:**

Another amendment Your Excellency, and that is on the same clause where it says "section 41 (c)", it should actually be "section 4 (1) (c)".

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

#### The Family Allowances (Amendment) (No2) Bill 1991

**The Honourable the Financial Secretary:**

Your Excellency, this Bill proposes to bring into effect from 1st January 1992 increases in the rates of family allowances approved by the Select Committee on the 1991/92 estimates and endorsed by Executive Council as follows:

Child allowance to increase from £36 to £38.50 per month and single parent allowance from £30 to £32 per month.

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.

#### Bills of Exchange (Adopted Legislation) Bill 1991

**The Honourable the Financial Secretary:**

Your Excellency, this Bill modifies the application of the Bills of Exchange Act 1882 to the Falkland Islands in relation to the days banks may be closed for business in the Falkland

Islands. 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 then read a third time and passed.

### Interpretation and General Clauses (Amendment) (No2) Bill 1991

**The Honourable the Chief Executive:**

Your Excellency, the Interpretation and General Clauses (Amendment) Bill 1991, if enacted, would become the Interpretation and General Clauses (Amendment) (No2) Ordinance of 1991, which would effect further amendments to the 1977 Ordinance, the need for which has been identified in the course of work being done in relation to the preparation of the revised edition of the laws. These amendments are not believed to involve any matter of controversy or any decision of policy significance the amendments would be affected by the Bill are explained in the memorandum. 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 G M Robson:**

Your Excellency whilst reading the Bill, it is in obviously very good legalese which means it is very difficult to actually understand, but I have just one query in clause 4, section 6, "section 73 is repealed and replaced by the following new section 73; "73, Good Friday and the first Monday in and non business days", which I didn't quite understand; and then "October in every year and where they do not fall on a Saturday or Sunday" perhaps it is merely my non legal mind reading it slightly differently to everyone else, but does that mean that October in every year?

**The Attorney General:**

What has happened, and I am obliged to the Honourable Member, is that it is "the first Monday in October in every year" which it should say. What has happened, and again it is the same sort of typographical effect as I drew attention to in a previous Bill, it is part of the marginal note "and non business days" that has been dragged, and I don't know quite how that has happened, by the typographical equipment into the text of the section. The words "and non business days" should please be deleted from the clause and that perhaps can be proposed at the Committee stage and it would then read "Good Friday and the first Monday in October in every year and where they do not fall on a Saturday or Sunday, 1st January, 21st April, 14th June, 8th December, 25th December and 26th December are public holidays".

Now the point of all that and we usually have had a Gazette Notice in the past, is nobody is able to publish a diary until the Gazette Notice has appeared with the public holidays in it. Now, you may wish Honourable Members, it is a matter for you, to delete the reference to the first Monday in October, if you are saying, as I understand that some propose, that what I think may be know generally as Peat Cutting Monday shouldn't be a public holiday, but that is a matter entirely for you.

**The Honourable T J Peck MBE CPM:**

Your Excellency, there is no longer a public holiday on the first Monday in October, that was changed some months back and it is Falklands Day in August.

**The Attorney General:**

Well, in that case Honourable Members might like to consider taking out the words "first

Monday in October" so it will read "Good Friday and where they do not fall on a Saturday or Sunday; 1st January, 21st April, 14th June, 14th August, 8th December, 25th December and 26th December are public holidays", that would reflect the situation that the Honourable Member has mentioned. Honourable Members will also see that the reason where they do not fall on a Saturday or Sunday there is an automatic movement provision in the subsequent provisions of the clause.

The Bill was then read a second time. In the Committee stage the following amendments were made:

**The Attorney General:**

Your Excellency, may I, as indicated on the previous reading of the Bill ask Honourable Members formally in this Committee stage, the amendments of details, to agree the amendments I have mentioned.

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

#### The Road Traffic (Amendment) (No2) Bill 1991

**The Honourable the Financial Secretary:**

Your Excellency, this Bill brings into effect from the 1st January 1992 the increases in vehicle licence fees approved at the budget session of Legislative Council. The Bill exempts from the fees vehicles belonging to the Crown, the British Antarctic Survey and those usually kept at a place not in East Falklands. 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 Mrs Norma Edwards:**

It is just a hypothetical query to think of in the future when we, if we get the ferry. We have excluded the "West vehicles" from this Ordinance at the moment are we then going to have to amend it to include all the West to pay fees to travel on the Camp roads or will it just pertain to the main arterial roads on the East?

**The Honourable the Financial Secretary:**

It would be, obviously up to Executive Council on the day to decide that. I presume that once vehicles from the West can readily move onto the roads on East Falkland then vehicle licence fees would have to be applied to those as well.

**The Honourable R E Binnie:**

Sir, I would just like to clarify that it is only vehicles that are going to use designated roads that will have to pay the tax and that it is not every vehicle in the Camp that will come under this Bill.

**The Attorney General:**

My understanding is that the effect of the Bill will be that all vehicles in East Falkland will be liable to pay the tax.

**The Honourable K S Kilmartin:**

Your Excellency, may I just ask the Attorney General to perhaps define what he means by

road under the Road Traffic Ordinance.

**The Attorney General:**

A road under the Road Traffic Ordinance is defined, Your Excellency, to be a road which is or other public place, I am trying to quote this exactly as I can, in Stanley or within four miles of the centre of Stanley or any other road which is designated a road by order under the Road Traffic Ordinance. For example the MPA road, the Stanley/MPA road is such a road, it is designated under the Ordinance.

**The Honourable K S Kilmartin:**

Your Excellency, would the Attorney General confirm that Surf Bay is a road.

**The Attorney General:**

Your Excellency, I am informed, but I have not measured the fact that Surf Bay is a public place within four miles of Stanley, and that case it is a road within the Road Traffic Ordinance. Honourable Members in Executive Council the other day advised Your Excellency, and I think this may be a convenient point to say so, that on that basis I should be asked to draft, this would be subsidiary legislation, regulations which would totally prohibit the use of any beach within four miles of Stanley by motor vehicles.

**The Honourable W R Luxton:**

Your Excellency, on the point raised by Councillor Binnie, I think we really need to clarify that because the Attorney General said that all vehicles in East Falkland would be subject to the tax, but the proposed Ordinance says that only those vehicles used on a road.

**The Attorney General:**

I asked for opportunity to clarify that but I got distracted by the Honourable Kevin Kilmartin's question. You are in fact correct the Honourable Member is correct in saying it is only if they are used on a road, because it says in clause 2 the new "section 4 (1) subject to subsection 3 they should be charged, levied and paid in respect of every motor vehicle or trailer used on a road", and therefore if a motor vehicle is kept in Camp and is only used other than on a road, (remember the special meaning we have of "road"), then no duty will be payable. So that if you, merely, in the instance of a farm in East Falkland, use the vehicle on land, (I use the word "land" as meaning land which isn't a road) then there will be no duty payable. But if you put it on a road, it will no longer be the situation because it is kept in Camp, kept mainly in Camp, that you will be exempt from duty. That is the change. If you drive it on a road at all you will have to pay the duty.

**The Honourable Mrs Norma Edwards:**

Can I ask the Learned Attorney General if he thinks then that Mr Greenland will be up asking for more policemen to enforce this law?

**The Attorney General:**

I cannot speculate as to what the Chief Police Officer may have in his mind as to establishment proposals he may make to Honourable Members for their consideration in due course. If he does make such proposals then no doubt Honourable Members will consider them on their merits.

**The Honourable W R Luxton:**

Your Excellency, could I ask the Attorney General to clarify another point in the situation

where a farmer may have a tractor which he doesn't anticipate using on a road, but the road goes through his farm, I think we really need some provision to stop any nit picking prosecution to enable that farmer to take the tractor across the public road without having to pay the full tax. I think that would be appropriate, and could I also ask the Attorney General to clarify the commencement date, which in the Bill is 1st January 1991.

**The Attorney General:**

Yes, that is an error and it will be 1st January 1992, answering your last question, because it is a simpler one, first. Your Excellency, I have in mind the need to make sensible provision in relation to the situation where a farmer merely has to cross a road, to get from one part of his farm to another, and does not otherwise and for that sort of purpose use the motor vehicle on the road. It is a matter to which I intend to give attention when preparing legislation which I have indicated to Honourable Members elsewhere and I have discussed with the Farmers Association will be necessary for the regime which will be required in relation to the roads being constructed and to be constructed under the Camp roads construction programme; if I may indicate what I have in mind there: at the moment there are no provisions in relation to insurance, speed limits, weight limits and the rest of it. Now speaking purely personally, but I have said this publicly to the Farmers Association, I do not personally contemplate, but it will be a matter for consideration of policy by Honourable Members in due course when the legislation is before them, and I am not rushing to prepare that legislation, I am not contemplating that we will simply designate them as "roads" under the existing Road Traffic Ordinance. I am aware that the question was asked by an Honourable Member, what effect does that have on policing and that is very relevant, but I don't think that it is relevant to apply the whole gamut of the Road Traffic Ordinance to roads in West Falklands or remote parts of East Falkland. Certainly technically it could be done, but there would be enforcement problems and one needs to know, consider what is necessary, so I shall be coming to Honourable Members at some future date, with proposals as to legislation in respect of those matters. Discussions in relation to that have taken place on one occasion with the Farmers Association; it is not something that I am rushing into and I shall need to receive the views or ideas of Honourable Members on those points before putting pen to paper. That is a long winded way of saying I am aware of the problems the Honourable Members has mentioned, I have them fully in my mind, and that there will need to be consideration by this House on another occasion as to what sensibly ought to be done in relation to it.

**The Honourable W R Luxton:**

Your Excellency, could I just perhaps ask the Attorney General then in the short term to prevent a problem, because already there must be roads splitting farms and people will want to cross them and he will perhaps not permit a prosecution in the case of a farmer who has an untaxed vehicle that crosses a road that he won't permit a prosecution until the Ordinance, to which he is referring, comes before Council.

**The Attorney General:**

Your Excellency, if I can answer that point, as a result of a statutory instrument which was made earlier this year, there is only one road which splits farms, one, and that is the MPA, Stanley/MPA road because that is the only road outside Stanley except on RAF Mount Pleasant and the Mare Harbour road which are designated as roads under the Ordinance.

For example the Port Louis road, and that is how we call it, is not a road designated under the Road Traffic Ordinance, therefore the vehicle is not required to be taxed or insured to drive along it, let alone cross it. There are no roads anywhere in West Falkland, "roads" in inverted commas, which are "roads" for the purposes of the Road Traffic Ordinance. In the unlikely event, and I say it is unlikely event, of an untaxed and uninsured vehicle being taken across the MPA road to get from one side of the road to the other, from one part of the farmland to another, I am not committing myself in advance as to how I would view the matter, but I shall consider the matter if it is put to me with a view to a prosecution, on its merits and the merits



of the particular case. But I say as at the moment in general the problem cannot arise, in relation to roads generally, because the only designated roads are the ones I have indicated.

**The Honourable R E Binnie:**

Sir it is a problem anyway because Fitzroy has been split in two.

**The Attorney General:**

I have indicated that is the only case in which it could arise and I did accept that one. I said that was the only one and in the unlikely event it did arise I would look at the matter, but I am not going to give an answer hypothetically to a problem which hasn't yet arisen. It would have to be an untaxed and uninsured vehicle in the first place and most of the vehicles on the Landholdings Farms which are ever likely to be used on roads are of course both taxed and insured.

**The President:**

Can we say that subject to all these provisions, we have no objection to the Bill as it is, so it can be read a second time.

**The Bill was then read a second time and in the Committee stage the following amendment was made:**

**The Honourable the Financial Secretary:**

I beg to move that clauses 1 and 2 stand part of the Bill with the following amendment which was mentioned previously under clause 1 to substitute "1992" for "1991" after the 1st January.

**Clauses 1 and 2 as amended were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.**

### **The Falkland Islands Defence Force Bill 1991**

**The Honourable the Chief Executive:**

Your Excellency, the Falkland Islands Defence Force Bill 1991 is a Bill for an Ordinance to make new provision in relation to the Falkland Islands Defence Force. I have to give notice that there will be minor amendments at the Committee stage. 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:**

Just a few words Your Excellency, in rising to support the introduction of this Bill to Council it has been, it is a bill which is long overdue in coming before Legislative Council because there have been problems with the original 1954 Ordinance and this Bill has taken care of many of the defects found in that earlier legislation so I look forward to Council supporting the enactment of the Falkland Islands Defence Force Bill.

**The Bill was read a second time and in the Committee stage the following amendments were made:**

**The Attorney General:**

Your Excellency, I wonder if at this stage I may conveniently go through the various

amendments which will be required to the Bill to correct typographical errors and one or two matters which are not typographical errors but give a different legal effect.

I see that Honourable Members have before them a typewritten copy of the Bill and I have got a convenient list of amendments in relation to the line numbers appearing in the typewritten copies of the Bill; it has been printed in the Gazette. If I might run through those Your Excellency.

Clause 2 (4), paragraph a, which is on page 3, I believe, of the typewritten copy of the Bill: substitute in the second line the figures "54" for "55"; that corrects a cross reference;

Clause 5 (2), on page 5 of the type written copy replace with the words, and there is a paragraph in brackets:

"(a) are subject to such training obligations as may be prescribed in relation to reserve members;"

Now that is not a mere typographical change, it is one which has an effect on policy because the Bill as before Honourable Members says that reserve members are not subject to training obligations unless the force is called out for active service. That is an amendment of some principle in that it would provide for training obligations of reserve members of the force.

Clause 10 (1), on page 5, in line 8, replace "an" with "a" that is a typographical mistake;

In clause 31 (3), on page 18: replace the word "such" on the second line with the word "a";

Delete clause 33 (3), on page 19 in its entirety, in other words that should come out;

In relation to clause 41 (3) in the second page relating to that, I will just turn up the clause, should be in line 1 in the type written copy, would Honourable Members please substitute the figures "40" for "41" that corrects a cross reference;

In line 5, that is line 1 on page 23 of the type written copy replace the "comma" at the end of the line with the word "and";

Clause 43 (3), on page 24 of the type written copy;

**The Honourable T J Peck MBE CPM:**

The Attorney General is that not supposed to be clause 42 (3)?

**The Attorney General:**

May I just find my place and I will answer that question, if the Honourable Members will bear with me for a moment. That is in relation to clause 41 (3). No it should be "clause 40" because it has the words above, I think, unless I believe it should be "40". We are talking about clause 41 (3) where it begins "nothing in section 41 above" (now it can't be paragraphs (b) or (c) of sub section (1) above) "shall operate so as to delegate from the provisions of section 207 subclause 2 of the Army Act 1955 and section 40 of this Ordinance.

**The Honourable T J Peck MBE CPM:**

I think I jumped ahead of you Attorney General.

**The Attorney General:**

Then it goes on "and section 40 of this Ordinance shall have effect subject to the provisions", I think it has to be a reference in the first line of 41 (3) with respect to section 40. I am obliged

to the Honourable Member, however.

Clause 43 (3), in paragraph (f) at the beginning of the subparagraph there, the insertion of the word "to" before the word "severe" and again in the following paragraph (g) "to reprimand", those are just grammatical changes.

**The Honourable T J Peck MBE CPM:**

Clause 43 (f) is the one I was referring to.

**The Attorney General:**

Yes, I now see the point that the Honourable Member is making, that should have been clause 42 (3) not clause 43 (3); I am obliged.

In clause 43 (4) there should be a "comma" after the word "food", that is merely grammatical;

In clause 48 (4), paragraph (a), that should be replaced by the words "set out succinctly the reasons for the Commanding Officer's belief that the member may have committed the offence";

In 48 (5), replace the words "is not obliged to" with the words "shall not";

In clause 49 (2), paragraph (c), insert the word "being" after the word "conveniently";

In clause 52 (2), paragraph (c), insert "commas" after "or" and "may be" in the first line and second line in the printed copy but in line 2 of the typewritten copy of the Bill and after the second of those commas, that is the one after "may be", insert the word "to" and replace the word "therein" in line 13 of the type written copy of that subclause with the words "from that other person";

In clause 54 (3) on page 35 of the typewritten copy, replace the word "maximum" in the first place it appears, with the word "minimum" it should be "over the minimum age" not "over the maximum age";

In clause 60 (2) on page 38 of the typewritten copy of the Bill, delete, (I will just have to find my place), delete subclause (2), and then subclauses (3) and (4) become (2) and (3);

In schedule 1, paragraph (5), and this is on the procedure for enlistment, in the first paragraph of the proviso, insert after the word "paper" the words "are true" and what it should read "is not satisfied that the answers to the questions set out in the attestation paper are true, he may defer the administration of the oath of allegiance to some later time"; and

in proviso (b), line 6 in the typewritten copy, insert after the word "examination" the words "satisfied that that", so it becomes "until such time as the Commanding Officer is satisfied, as a result of such medical examination that that person is reasonably medically fit for useful service as an active member of the Force".

I am sorry with all that list of amendments, some of them as I have said are merely typographical, some correct grammatical errors, the ones as to the reserve obligations of course is a change of principle.

**The Honourable T J Peck MBE CPM:**

Your Excellency, thank you Attorney General, I would like a further amendment which was omitted from this, this was at the request of the Commanding Officer from the FIDF itself and that was at meetings with them it had been raised, but I think a further meeting with yourself and myself omitted this age limit from the clause 16 (1) (b). Where it says "55" it should read

"60", they believe that this is a fair age, they are fairly active. I was asked this morning what my age was and what would I be like at 60, but any way it was a request to amend clause 16 (1) (b) to read "55" it should read "60".

**The Attorney General:**

There are certain difficulties, and I think I can best deal with the Honourable Member's point by temporising by amendment in slightly different terms, by leaving it, "attaining the age of 55 years, or such other age as may be prescribed by regulations". Now the reason for that, is that the Commanding Officer of British Forces who has a concern in relation to the Bill is not present at the moment. I also have a concern because if we alter that, which is a difference from what appears in the existing Ordinance, we may be forcing members of the force to remain in until 60 and change the obligations from those under which they joined and I would want carefully to consider that, but I can cater for the Honourable Member's point so that it can be dealt with by regulations after due consideration by suggesting an amendment that it should be "on attaining the age of 55 years or such greater age as may be prescribed by regulations" and we can look at that carefully.

**The Honourable T J Peck MBE CPM:**

Thank you Attorney General.

In the Committee stage the amended Clauses 1-65 and amended Schedules 1-3 were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

#### The Falkland Islands Development Corporation (Amendment) Bill 1991

**The Honourable the Chief Executive:**

Your Excellency, the Falkland Islands Development Corporation Bill 1991 is a Bill for an Ordinance to amend the Falkland Islands Development Corporation Ordinance of 1983. 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 K S Kilmartin:**

Your Excellency, I did wish to speak to the motion, I seem to have lost my notes on the subject. Your Excellency, the future of the FIDC has been discussed at great length over the last few months and the reason why this amendment is being proposed is that the money that was funding FIDC, the £31 million is now close to running out. FIDC has spent approximately one third of that £31 million and will have used up the last remaining funds by next June.

The purpose of the Bill is to transfer ultimate control of FIDC to the Falkland Islands Government from ODA or at least that is a summary. This is quite correct and I have no quarrel with that purpose of the Bill, however there are a number of concerns, one of them is the high cost of the Development Corporation as Honourable Members know the budget at the present is somewhere in the region of £2 million and the administrative expenses to run that budget are in the region of £500,000.

In our discussions on the future of FIDC, I don't think there was much hesitation in Councillors minds that FIDC had a useful role to perform in the sector that FIDC chooses to call the industrial sector which is in fact mainly the Stanley business sector, the Stanley private sector. However, large sums of money are spent on five other sectors, if I can just highlight two of them, one of the highest spending sectors is Agriculture and another high spending

sector is Tourism. It appears to me that although it may be sensible for FIDC to be involved in helping the establishment of the emergent private sector, it doesn't have a cost effective role to play in the other five sectors.

Obviously FIDC will not continue if Budgo, as the Attorney General chooses to call it, doesn't vote the funds, but I think at some point between now and the Select Committee on the Budget, that there should be more consideration given to the objectives of FIDC, to the funding, the size of the funding of FIDC, and to the staffing. Thank you.

**The Honourable Mrs Norma Edwards:**

Yes Sir, I endorse what Councillor Kilmartin says, I have felt for a long time that it seems to be ridiculous that we pay two agricultural budgets; we have an Agriculture Department which should, I feel, handle all the agriculture side of things with perhaps some co-operation from FIDC regarding the setting up of subdivisions, should there be any more. But I feel that that should be an end to FIDC's development really and it could all be taken over by the Agricultural Department, which after all we pay a lot of people to administer; and again I think tourism needs seriously looking at because it is extremely costly. At the moment I know there are off spins from the tourist industry which don't show up in the books, so to speak, but it still costs us a great deal of money to get one tourist down here by air so I would endorse what Kevin says and we should look at it carefully before the budget session.

**The Honourable W R Luxton:**

Your Excellency, Honourable Members, I don't entirely agree with the other speakers, or not wholly. I think this Ordinance that we have before us will give a very high degree of control of FIDC by Honourable Members; that is what it is designed to do, but I would like to see some aspects of development kept outside the direct control of Government or Standing Finance Committee; I believe it is healthy to have a Development Corporation with some degree of autonomy to be provided with the funds and allowed to go their own way. I have reservations about the cost of tourism and the eventual viability of it, but I believe it is something we have to continue to support for some time and I would also like to see the Development Corporation staying in the development sector of agriculture.

**The Honourable R E Binnie:**

I believe Councillor Kilmartin has some points and we should look very carefully at the expenditure and perhaps the administration, but I cannot agree that each department should have their own development. I could see it duplicating further if each Government Department had its own Development Officer situated and the Development Corporation was no longer there; I would think that was defeating the object completely.

**The President:**

I take it that there is no objection to the Bill now, but Members would like to consider it before the Budget Legco.

**The Bill was then read a second time. In the Committee stage Clauses 1 and 2 were adopted as part of the Bill and the following amendment was made to the Schedule:**

**The Attorney General:**

In relation to the schedule, paragraph 3 in section 6 (4) of the Bill, third line, please can we delete the "comma" after the word "manual".

**The Schedule as amended was then adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.**

### The Supplementary Appropriation (1990/1991) (No4) Bill 1991

The Honourable the Financial Secretary:

Your Excellency, during the course of the financial year ended 30th June 1991, £7,910 was expended in respect of professional advice on minerals related matters. This expenditure was not authorised under the Appropriation Ordinance 1990, nor under any subsequent Supplementary Appropriation Ordinance. This Bill legalises that supplementary expenditure which was approved by the Standing Finance Committee on 11th July 1990. 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 then read a third time and passed.

### The Supplementary Appropriation (1991/1992) Bill 1991

The Honourable the Financial Secretary:

Your Excellency, up to the 18th September 1991 Standing Finance Committee approved expenditure of £620,400 supplementary to that authorised by the Appropriation Ordinance 1991. This Bill provides the legal authority for that supplementary expenditure to be withdrawn from the consolidated fund. I beg to move that the Bill be read a first time.

The Bill was read a first and second time. In the Committee stage Causes 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 Income Tax (Amendment) (No4) Bill 1991

The Honourable the Financial Secretary:

Your Excellency, at the budget session of Legislative Council it was agreed that the various deductions allowable for tax purposes should be increased by approximately 7%. This Bill brings those agreed increases into affect. 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 then read a third time and passed.

### The Museum and National Trust Bill 1991

The Honourable the Chief Executive:

Your Excellency this is a Bill for an Ordinance to establish a Museum and National Trust for the Falkland Islands to regulate the Trust and to make such provision that is necessary in relation thereto and to enable property to be vested in the Trust. I beg to move the first reading of the Bill.

The Bill was read a first and second time. In the Committee stage Clauses 1-24 and the Schedule were adopted as part of the Bill. Council resumed. The Bill was then read a third time and passed.

## The Continental Shelf Bill 1991

(Was laid on the table under a Certificate of Urgency)

**The Honourable the Chief Executive:**

The Continental Shelf Bill 1991 is a Bill which if enacted would afford a legislative basis for the licensing of minerals survey within the designated areas of the Continental Shelf which, as the Proclamation at present stands, would be the 1950 Continental Shelf and incorporate both the FICZ and the FOCZ. 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, Honourable Members, I thought I would be beaten to my feet by everybody on this Bill but apparently it is not to happen. Nevertheless, it is a Bill that Members will consider and decide on today or perhaps not today, I don't know, but I am rising to support this Bill. The fact is that it does fall short of what we would really see as the full minerals legislation. This one deals entirely with seismic surveys and the licensing of such surveys, that to me has to be the beginning. We have had the Proclamation on the continental shelf made this morning by yourself for the Falkland Islands; this Bill follows that, it now gives us the right to invite companies to tender for, or apply for licences, to carry out surveys regarding minerals, hydrocarbons within our waters and along the continental shelf which under International Law belongs rightfully to the Falkland Islands.

Having read the Bill, I feel quite satisfied that what we have before us is satisfactory, it does give us much of the control in the licensing. There are however, references to the Secretary of State through yourself, but it must in every case be the Secretary of State who approves or disallows the Falkland Islands Government to licence the various companies who may wish to explore or carry out surveys on the continental shelf.

There have been many, many months where Council have repeatedly demanded this Legislation, this and other legislation regarding the exploitation as well. Nevertheless I believe that the community have been concerned of the secrecy surrounding this Bill and why Council were never allowed to be taken in or for consultation to take place between the Elected Members and the Foreign Office. We have our Attorney General who had been invited to draft the legislation and I feel that the Foreign Office and Secretary of State put him in a very, very embarrassing position because he was not allowed to consult with his Members of Council at any time. You yourself Sir have known the anger and the frustration of Councillors and no doubt many of the public; we are still not satisfied, in fact much the reverse, the Foreign Office still treat the Council of these Islands like the Back Street Kids, if you like; we are not taken into confidence, we asked for this legislation repeatedly over the last two years while we have been Councillors; we have been demanding that this be forthcoming; we have a part of it today, at no time have we ever been taken into the confidence of the FCO to be consulted of what we want in these Islands, not what they want.

We realise there are sensitive areas with regards Argentina. No one wants a confrontation situation with another country, we have already had a gut-full of that ten years ago, we don't want that to happen; we are not children, we are elected Members of Council, elected by a democratic voting system to this Government and we should have that respect from the Foreign Office and not be treated, like I said, like Back Street Kids.

They make a rod for their own back, they leave everything for the eleventh hour, no wonder we distrust them and we have a right to distrust them, because they keep us entirely in the dark and you have to bear the brunt of our anger Sir, in this case not only yourself but the Attorney General has born the brunt of considerable anger from myself because of the Foreign Office. I would implore them that from now on don't treat us like this, bring us into their confidence so



that we are able to be consulted about our way ahead and our future in these Islands. We are expected to consider this legislation today and hopefully we shall enact it, but it really galls me when I have had this placed in front of me from the FCO and the British Government when I have not had one ounce of input into it. Thank you Sir.

**The Honourable Mrs Norma Edwards:**

Sir, in rising to support this Bill, I am very pleased to see it has arrived, but as Councillor Peck said, it wasn't really what we were expecting, we have been asking for mineral legislation now, in fact it was asked for when I was last on Council, in 1985.

However, I hope that we will enact this Bill today, there is nothing particularly, as I can see, contentious in this. The Attorney General has explained to us the limits which will be claimed on the continental shelf. My understanding is that in International Law you are allowed to claim 100 miles beyond the 250 metre isobar or 250 nautical miles from the closing lines whichever is the greater distance. However, the Attorney General very kindly sent a note to Members explaining the International Law as Britain sees it and as I understand, and I hope he corrects me if I'm wrong, Britain are not a signatory to this particular International Law, therefore we can only or the Crown can only claim 200 miles continental shelf around the Falklands, but I am sure this will be adequate.

However, I am also assured that should the need arise in the future to look beyond this point, then we are assured that the British Government will pursue this course, so I don't think there is any great worry on that score. May I make a plea to the Foreign Office, that the minerals legislation is presented to us as early as possible; we know very well that this is an exploratory phase that we have to go through, we don't know whether there is oil out there, the possibility is that there may be and we would dearly like to be in a position to set up all the necessary infrastructure properly with the right people in place to cope with an exploitation situation in good time, and that would not be a matter of months, we would really like from now until the exploitation phase, if it happens, comes into being to get our House in order to set it up and to do the very best that we can to ensure that we have a stable regime and a proper regime in place before any oil men start digging holes. I think this is important and I am sure I speak for all the Council when I say we would be extremely grateful if the Foreign Office could take the minerals legislation off the shelf and send it to us for the next Legislative Council. Thank you Sir.

**The Honourable W R Luxton:**

Your Excellency, Honourable Members, I shall support this Ordinance of course, but I can only echo Councillor Peck's anger and frustration at the way it has been handled by the Foreign Office with a total lack of consultation, as far as I am concerned anyway, and know nothing about it at all. It doesn't go far enough; it doesn't go as far as we asked that it should, I suppose all we can say is that a few crumbs are better than no bread at all. Looking at the Ordinance it says, the first, one of the first phrases says, "be it enacted by the Legislature of the Falkland Islands as follows" etc, etc, etc. Then as Councillor Peck indicated you go on to the nitty gritty, everywhere it says "without the prior consent of the Governor acting on the advice of the Secretary of State, with the consent of the Secretary of State, consultation with the Secretary of State". It is not going to be really enacted by this Legislature, it is going to be enacted or governed anyway, it is going to be totally run by the Secretary of State; we are not going to have very much to do with it.

I hope that in the licensing for the initial exploration that we can impose on the licensee's an obligation to look further than the zone as designated so that we have the necessary information which may be required to expand the zone at a later date and I echo the request of the previous speakers that the full exploitation legislation should be presented to us in good time, not in the way this has been done; the hole in the corner, last minute thing, shrouded in secrecy because when we, if and when we start to think about exploitation we need to have very, very strict controls in place so that we can handle the potential development without too

big a disruption to our way of life in the Islands. Sir I support the Ordinance.

**The Honourable K S Kilmartin:**

Your Excellency, I appear not to share the dismay of other Councillors about what has happened, or the way it happened. We are living in the real world, we have got what we wanted, we are now at the beginning of a new era. I am an optimist I believe that what has happened today will secure the financial future of the Falkland Islands; we won't be reliant on wool and fish.

We are used to change, there has been a lot of change since 1982. We have had the war, the fishing zones, we have seen Stanley change a great deal, I think we can handle the change. But of course life will be altered, there is a reverse to the coin, our finances may become secure, but life will be altered. We may see a large increase in population over the next ten years, we can't carry on saying we haven't got an Immigration Policy, we will have a policy by next year it is going to come, it may even overtake us, it is going to be extremely important. That is on the domestic side, on the foreign side; perhaps the declaring of this Proclamation has made it more certain than ever that we will remain British, that Argentina will never ever get its hands on this land. On the other hand the very fact that we are on the very edge of oil exploitation means that there will have to be talks with Argentina on oil, on perhaps cross border fields, on all manner of commercial dealings. We won't be able to remain in the position of saying we are not going to have a cruise ship because it might have an Argentine on it or it might have called into an Argentine port. We will be in the position of having many ships, many aeroplanes coming here and this is going to be a very difficult era for us to cope with and as Councillor Edwards has said we need a strong, firm, confident, professional Government to cope with it.

**The Honourable R E Binnie:**

Your Excellency, I support this Bill. Perhaps I should first congratulate the Attorney General on making it so small. I don't really know what is so secret about it from the Foreign Office, the part I would have thought that may have annoyed the Argentines is the Proclamation which was declared today Sir. We were promised, I was personally promised mineral legislation by the Secretary of State, he didn't state that we were only going to have a little piece of it and I fully support what Councillor Peck and Councillor Luxton have said. But having this Bill today is a start, but it would be impossible Sir to set up the right office, the right people to have ready for the exploration if we don't have legislation a bit quicker next time.

**The Honourable G M Robson:**

Your Excellency, Honourable Members, I too support this Bill I think it is a start, as Councillor Kilmartin said, to a new era. I do believe that it has been given to us in a strange way and whilst I appreciate that our foreign policy is indeed in the hands of HMG and of course leaks of things of this ilk are not unknown. I would have thought that the possibilities of a leak are more likely from London than here in as much as there are more possibilities of, there are more people indeed involved in the Foreign and Commonwealth Office than there are here with something of this nature and I just fail to comprehend why the secrecy has to be. In saying that I do welcome this Bill and I think it is a start and I am sure we will be able to build on this for the future. Thank you Sir.

**The Honourable G P Short:**

Your Excellency, Honourable Members. I too support this funny little bit of paper that we have finally got after all this time. I also support what has been said by my colleagues before me. I too am getting extremely fed up with being pushed around in what I consider to be my country. However, I am also fairly optimistic that if as it has been called "The Black Elephant", is found out there the pressures that will be put on the British Government to do something about the next stage, that is exploitation, will be that great that not even they can

resist. However Sir, I too would like to have that legislation by the next sitting of this House so that we can be fully prepared for what is I think, or will be the most important step we have ever taken. Thank you Sir I support the Bill.

**The President:**

There is no objection then and the Bill can be read a second time.

**The Honourable W R Luxton:**

Your Excellency, can I just perhaps, remind the Attorney General who at one stage was talking about it there was an amendment in section 3, paragraph 3.

**The Attorney General:**

Yes I shall be drawing attention to that in the Committee stage.

**The Bill was then read a second time, in the Committee stage the following amendment was made:**

**The Attorney General:**

Your Excellency, may I immediately, section clause 3 (3), first line the references should be to subsections (1) and (2) and the words "on conviction" have somehow been omitted after the word "liable". I would therefore, I will read the subclause as it should read and ask that Honourable Members agree to it being amended to read as I now put it:

"(3). A person who contravenes subsection 1 or subsection 2 commits an offence and is liable on conviction to a fine not exceeding £250,000".

**The amended Clauses 1-9 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 K S Kilmartin:**

Your Excellency, today as I have said I think we are on the edge of a new era. We have made the decision to find, and then I believe exploit the resources offshore, but I think we ought also to consider the human resources of the Falkland Islands. We may find over the next few years that we may become swamped, or in other ways things happen that this community does not like. At the moment we have the time and we have the ability and we also have the money to make sure that Falkland Islanders control their destiny.

We are sending more Falkland Islanders away on training courses, we are making efforts to Islandise (if I can use that word) posts within Government and I think that this is an ideal opportunity for the civil service to realise that the business of Government in the Falkland Islands is going to become more serious and more complex. We want a professional civil service made up of residents and to achieve that we must have a civil service that is aware of

the goals; that is aware that it can achieve; that it is a competitive service; that has pride in the way it conducts its business and along those lines, I think perhaps we ought to consider assessing the ability and competence of the civil service.

We ought to cease to think of Government Departments as separate enclaves and that there should be more mixing across departmental boundaries to use the skills that we have and I believe that we should pay our civil service very well. At the highest levels their pay should be performance related and that by going down this route now, in two or three years this civil service that we have will be in a position to show the world, or at least the oil companies that may come here, that we do have the ability within the Falkland Islands to control a very large industry and control our destinies. Thank you.

**The Honourable G M Robson:**

Your Excellency, Honourable Members, a large number of Bills have appeared before us today some of which have been debated at some length. This is my first Legislative meeting as an Executive Council member and I have therefore been moved from my customary chair. But having done so I have some sort of sympathy with the Honourable Members who have also moved one place and who's comments at this juncture are often stolen before they get a chance to say them, so I shall be fairly brief.

I am sure the continental shelf legislation passed this morning has lots of long term connotations for the Falkland Islands if other countries experiences are anything to go by. The economic possibilities are enormous but other considerations must also be taken into account, perhaps some of these possibilities are some way off, but I believe we must begin to look at all potential advantages and problems now.

The Conservation Committee, I am sure, will be looking towards the ecology of the area, in and around the Falklands and to the potential problems that the oil industry may lead to; I have no doubt we will be investigating this fairly shortly.

The Honourable Member for West Falkland and myself were in attendance at the Party Conferences and I believe we should continue to attend these. To right any misconceptions about the Islands that we can and we do still find an awful lot of interest in the Falkland Islands by members of all parties and I feel it is well worth going to.

I did go to visit the new senior school last week and I must say that it is bigger than I ever imagined, it is very difficult to see these things as a model and envisage what the finished product is and I am sure that when it is opened it will serve our needs for some time in the future.

I believe that the Government Air Service is having problems at this particular moment and I would hope that the wheels or propellers are in motion at this very moment to right anything that may be amiss. I am sure that other Honourable Members have other issues that they wish to bring up. Sir, I support the motion.

**The Honourable the Financial Secretary:**

I support the motion for adjournment, Sir.

**The Honourable W R Luxton:**

Your Excellency, Honourable Members, as I said during the course of the debate on the last Bill I am glad to see it in place. I don't think we should count too many chickens before the eggs are laid, I would urge caution and we shouldn't lose sight of other matters locally. It is not inconceivable that there will be a couple years of frantic activity and no exploitable resources will be found anyway in which case we shall need to conserve our existing resources very, very carefully indeed. Not to say that we shouldn't conserve them well anyway

particularly the only one that is providing any revenue at the moment.

Turning to local matters, I am delighted to see that since I last spoke in this House that the outcome of the road programme has been finally settled and that it will go as far as Newhaven. I believe that is good news for the future in that the first leg of an integrated transport plan for the Islands will be in place and one without which others couldn't happen, i.e a cross Sound link and it will also make more sense for roads on the West Falkland.

We seem to have an ongoing sort of transport crisis and communications crisis indeed, FIGAS is really having a bad patch at the moment and a great many people are very dissatisfied with the present situation, those in Camp. Probably not a good time to impose a 10% fare increase or whatever it was, something like that, I think that is particularly felt by the less than 10% of users of this service that are actually Camp residents, that statistic surprised me greatly. I hope we may see an early improvement in that situation particularly with the busy season coming on and with the usual clash between the requirements of tourists and the shearing gangs.

Coastal shipping is in a state of flux I hope that the eventual outcome will be a better service than we have at present but I am apprehensive for the near future, but we shall see on that one.

Finally with communications we have our old friend Cable and Wireless this seems to be going down hill rapidly, the VHF system goes from bad to worse it is almost impossible to contact people in the Weddell and Port Stephens area at the moment. The Micro Wave system which in the past I have expressed great satisfaction, seems to be deteriorating. Once upon a time on the West, at any rate, Micro Wave stations would go months with no fault, of late the link with Chartres seems to be going down almost on a daily basis for some period during the day.

I find it incredible that a firm the size of Cable and Wireless which takes out a six page, colour, splashy adverts in international magazines expanding on their international performance actually can't get a little system like this right. I think that there may be a lack of communication between the Government and Cable and Wireless, I don't know, I would just perhaps suggest to the Chief Executive that we may set up a small working group, if there isn't one already, comprising of some of the users on the extremities of the system to talk to Cable and Wireless and try and put pressure on them to get the system right, because it really is ridiculous that in such a tiny community by comparison that the thing doesn't work. So perhaps I could ask the Chief Executive to think about that possibility, nothing very specific but just a sort of an idea of where we may go from here.

Finally Sir, I gather you are departing northwards fairly shortly. I have no doubt you will but I would certainly ask you to convey to the Foreign Office the feelings of many in this House and many in these Islands, who whilst we welcome the legislation as far as it goes are not happy with the way we are treated and that this community is a very different one from the community that they were dealing with in the 1970's. Many of us have vivid memories of the actions that were taken and what happened during that decade of communications with Argentina and what that lead up to. People of these Islands are not prepared to go through that sort of scenario again, that is a horrible word but I think it describes the experiences we had in the 1970's, and I would ask you to reiterate to the Foreign Office that we don't want to see a repeat performance. I support the motion.

**The Honourable Mrs Norma Edwards:**

Sir, in rising to support the motion may I just say welcome to Canon Stephen Palmer to his first Legco meeting, no doubt we will see him time and again. Can I also do something which I neglected to do when I spoke to the Bill, and we complained about the Foreign Office and that is to congratulate the Attorney General because I know he spent many, many hours and lots of midnight oil drawing the Bill up and we do understand that it is not the Attorney General's fault that we don't have the minerals legislation before us today. However, as Councillor Kilmartin said, it will be a new era for us and I also endorse what Councillor

Luxton said, which is we mustn't count our chickens before they are hatched, there might not be anything to get excited about at all and therefore maybe this year we will be looking at a whole new scenario again and looking for where we are going to get our revenue other than from that field.

We had a very nice dinner at the Goose the other night and I congratulate the FIC on their asset and may I just ask Mr McErlain now where is the £750,000 investment promised as part of the FIC deal to the Falkland Islands? I don't consider the Goose as an investment for the Falkland Islands; I think it is an investment for the FIC, the profits of which go into the FIC pocket and out of the Islands and therefore as part of the deal we were promised £750,000 investment, we would be pleased and I would be delighted to hear what they are going to invest in.

I was extremely disappointed to hear that Exco didn't accept the petition that was put forward by the people who live around the Jersey Estate regarding the new block of flats which is planned to be built; I think they have made a wrong decision. I think they should have upheld the wishes of the people, we are here to represent the people, not ourselves, but to represent how the people feel about things and we are not doing this if we let that block of flats be built there. We have plenty of land around, we may not have the facilities in place but that should be a starting point, I think, to move this block of flats elsewhere on another site and use that area for what the people wish it to be used for and that is a playing area. I know that the second plan that went in, the first plan was objected to and that decision was upheld by Exco and overturned by the Planning Committee when the second plan came in, the second plan incorporated not just a block of flats, but a playing area as well, which seemed even more foolish to me. However, enough said about that, I presume it is too late, I hope it isn't.

Like Councillor Luxton I have had lots of complaints about FIGAS. FIGAS are going through a difficult period at this particular time and could I ask that we check with the Manager of FIGAS and make sure that he has taken into account that the planes I think will probably, some of them anyway, need servicing next month and I wonder if we are going to be in the same position as we were regarding pilots this month when we had run out of pilot hours, next month perhaps we will have run out of planes. If I am jumping to the wrong conclusion then I apologise in advance. If I am not then perhaps the general public could be made aware that there might be problems over the Christmas period, or leading up to the Christmas period, we also have all the school children to fly home at that particular time, it is always a busy period.

Can I wish, on behalf of us all I am sure, Mr Les Halliday a happy retirement; I think he is leaving the service at the end of December and I don't think we will be meeting before then. I thought it was sad that we had decided that Les had to retire now; I think he would have liked very much to have completed his fifty years of government service and as he only had about eighteen months to do I thought it wouldn't have made a great deal of difference to let him work those eighteen months and complete a very long period of time that he has given service and good service to Government. However the decision was made that he should retire and make way for another man and I wish Robert King every success in his new post as Senior Customs Officer.

Can I touch also on some people that are always forgotten and who do a tremendous job I feel and those are the people who fix and keep in order all the Government computers because, I think there are three of them now, one trainee and two others, Mike Peake and Zane (sorry his surname escapes me at the moment). But if it weren't for those three people the whole of Government would fall to bits, and they never, even, they are forgotten, I think they are up on top of the hill now in Lookout Estate, they do a tremendous job and well done to them.

May I say that I think Kevin is right that we should have a review of the civil service before too much longer and see if we can make improvements in their working life and in the way in which they work for us. Sir, I think that is all I have to say, I support the motion, thank you.



**The Honourable G P Short:**

Your Excellency, Honourable Member, in rising to support the motion, just a couple of small points I would like to make.

One perhaps, back to oil, I think perhaps at the end of the week, ten days people are going to be heartily fed up with the word. We are all perhaps behaving today as if it was our baby, I perhaps would publicly would like to thank the Council's before us who have toiled away trying to get this legislation; I think it was a case of we were in the right place at the right time.

Television in Camp, I believe the okay has been given to start the work to bring television into the Camp, I am sure people in Camp will very much enjoy it, however I would like to warn husbands that when Eastenders are on you are not allowed to speak normally; that is one of the drawbacks. (laughter)

Another thing I am pleased to hear, the Attorney General has assured me that he has matters well in hand with the draft legislation for the protection of sea mammals etc. around the Falklands. I certainly look forward to it coming to this House very soon. Sir, I wish to support the motion.

**The Honourable the Chief Executive:**

Thank you Your Excellency. I too would like to join in welcoming Canon Stephen Palmer and his wife Christine to the Islands; they have both already made a marked impression and I know that they are going to enjoy their period here and we very much look forward to their continuing pastoral works, welcome.

Perhaps in no great order, Your Excellency, I can deal with a couple of matters that have been brought to attention.

FIDC, I don't think many people would quarrel with the different points of view that were put by Honourable Members during the debate on the Corporation Bill. The important thing that the Bill does give is much more rapid, democratic accountability of the Corporation than Government has ever had before. You will have two nominated members on the Executive Board and the Corporation Board will really be Executive Council, so if there are any of the worries that any of the proposals that any concerns and certainly the financial control will be very readily and rapidly exercised by Legislative Councillors. So in terms of democratic accountability I think you have what most Members want; we have perhaps the best of both worlds in that you have the Development Corporation acting independently but being very closely monitored by Government and I think that is the best you could expect.

I hope Honourable Members will be pleased to hear that yesterday the order for the Oerliken Gun to be mounted on the fisheries patrol vessel was accepted and that arrangements are being made for the weapon to be brought down on the Polar Circle. So we thank everyone concerned for acting rapidly now that the go ahead has been given on that matter.

Turning to the civil service. I am always interested to hear proposals for the civil service and the goals that were being identified by the Honourable and Learned Member for Stanley are matters that I doubt anyone would quarrel with. It just happens, they are not currently Government policy and we would be delighted to co-operate in any way to achieve those aims. I actually believe, not just because I am paid to say so, but I do actually believe that you get quite good value from the civil service as it is, that is not to say that it can't be improved, but the improvements are most likely to happen if it is a matter of Government policy and you are prepared to back it with resources, which may not be funding, it may be other types of resources that are required.

Turning to FIGAS, I have to admit that we have got it very wrong and I apologise to all our



clients and customers for having made one or two massive blunders and a lot of people who are not responsible are having to pay the price through discomfiture and frustration. It must be bitterly galling for people who are only here for a short time, perhaps only once in their lives, who are going to miss an opportunity to travel. This distress is shared by FIGAS who I assure you have no intention of letting these mistakes happen again. I was assured by the General Manager this morning that come the beginning of December we should be back with a better service than we have had for a very long time. We will have the right number of pilots, we will have the right number of aeroplanes and he is optimistic that the service should start to improve actually from this weekend onwards, because of pilots becoming more qualified to do this or to do the next thing. But once again I would apologise we got it wrong.

Cable and Wireless, I really don't know what more Government can do to encourage these people to get it right. The Honourable Member from Falkland West made it clear that he thought there should be some group; there has in fact been a liaison group of Government Officers set up and we have had our first meeting with Cable and Wireless to discuss various matters. His suggestion that we have users involved is, I think, highly desirable, it maybe that there is a separate group. In Britain there is an organisation called "POUNCE" which is the "Post Office Users National Committee"; perhaps we could have "PRAT" here which would be the "Progress and Rationalisation of All Telecommunications"; it needs to be something sharp and pithy that will perhaps signal to Cable and Wireless that all is not well in what they are doing.

But short of writing to their Chairman twice, receiving promises that have been broken, he is now too embarrassed to answer my letters and gets someone else to write to me now. The Attorney General has advised them of civil action that will be brought upon them in the month of January if they fail to deliver the contract as promised. What more can we do? Other than constantly chivy and chivy and sadly it is necessary that we keep bringing forward details of the faults, because unless we have details of the faults, however boring it is to people, we have no case to put in front of them, because no complaints is their way of recognising that the system is working.

The Falkland Islands Company, when we were involved in negotiations for the purchase of the farms, did actually make a commitment to promise to retain £750,000 and invest it in the Falkland Islands. Now they didn't say they would invest it in the Falkland Islands Government, and providing, we believe and I have no reason to disbelieve, the amounts of money that have been indicated to me that they have spent on the Goose, I think you can actually accept that they have fulfilled that part of the contract. They have retained £750,000, you may have thought it could have been spent on something else but there was no requirement for them to invest it in something that we wanted, or we felt desirable. So within the deal they have done what was required of them and it may be disappointing to some, but I don't think you will ever see that money again.

Turning to the debate that we had on the continental shelf, it is not just Councillors who have been frustrated by the many delays, the many changes, the amendments. I too would join in with those who note the extraordinary amount of hard work that the Attorney General has had to dedicate, and a great many hours, hundreds of hours have been put to one side because he was as unsighted on many things as others. Perhaps not as popular, but I can also assure you that His Excellency has also been involved in a great deal of work and effort and has tried without fail, on every occasion to be able to provide Honourable Members with what they want, the fact they didn't achieve it was no fault of lack of effort at this end.

I noted the point that an Honourable Member made concerning the regular appearance of the Secretary of State's title in the Legislation and whilst I can understand and go along with "good Lord, surely we don't need the Secretary of State to be highlighted in every second clause because we know that he has an overall power and we know that the Governor is always acting in his name anyway". I think the point that was put to us on one occasion, is that the legislation isn't just for Falkland Island consumption and that overseas investors might actually be comforted by seeing the Secretary of State's name, because it may be that your man in

Houston or Dallas doesn't really know a hell of a lot about the Governor of the Falkland Islands, but he does actually take this statement, Secretary of State, very seriously. So I wouldn't feel that that in any way is a put down on Falkland Islands Government or should be regarded as such. I think it is a strengthening of it for the users rather than us who are going to administer it. There is no doubt and it has been made very clear to us that Falkland Islands Government is to administer it. So that is giving some faith in this organisation and it is imperative that we get together a group and Honourable Members are aware that a small core team has been put together to start building upon as being the Government's response to whatever opportunity comes from the seismic survey.

We are very conscious of the mistakes, the expensive mistakes, the insensitive mistakes that were made when the fisheries regime was imposed and you are not seeing an oil version of Peter Derham Associates immediately being invited into these Islands to take on the mineral aspects of that. But we will need Members to be constantly monitoring what we are doing and I am therefore delighted to know that two Members have been identified from within the Legislative Council to take a special interest in oil. Also that two others have been identified to take an interest in the coastal shipping matters that has been reported upon.

Your Excellency, I too would like to associate myself, and I know that all my colleagues would also like to pay tribute to Les Halliday and the very devoted and long service that he has given to his country in various capacities and together with him we remember the difficult time and illness that Peggy is going through and I hope that when our good wishes are passed to Les, that we will include every good wish for Peggy's speedy recovery and return to the Islands.

I am aware that the Commander British Forces was very anxious to get here, but I don't think that he is going to make it, I know that he wanted to advise Council that he, his staff and all ranks at Mount Pleasant were greatly touched by the comfort, condolences and actual support that was offered to the Royal Air Force during the periods of loss of three servicemen at different times over the past six weeks. Various letters were exchanged between Your Excellency and the Government and clearly the bereaved families were also extremely touched with the support and condolences that were proffered by the Falkland Islands Government.

He also wanted it known that he and Fiona have been made extremely welcome both in Stanley and Camp and would want to express their thanks to everyone they have seen so far and that it is their intention to continue to meet as many people as possible and to follow the examples of others who have been here and play a rich and full part in Falkland Island life. Your Excellency, I support the motion.

#### The President:

Honourable Members, just a very few remarks. I would like to endorse the welcome to Canon Palmer to the Council and to Canon and Mrs Palmer to the Islands. I should just like to reflect very briefly on some of the comments about HMG during the debate on the Continental Shelf Bill. The subject has been discussed at great length with Councillors. We wanted a Shelf Proclamation and we do have one; it does offer everything that is possible and feasible now in International Law; there is nothing more that any discussion of it could possibly have added or add, but Councillors were of course shown it as soon as it was finally agreed on 11th November, eleven days before issue and their views were discussed and passed immediately to London and we got back some comments on legal points that they had made. On the 13th November it was again discussed with Councillors and on the 14th I made it available in my office all day, for Councillors to study.

As for the Legislation, that was discussed in detail with Councillors on the 13th November, here too I think it comprises everything legally possible and in conformity with the Proclamation. If there has been any hurry, and there has been over the period between Councillors seeing it and Legco now, it is mainly that I and HMG imagined that Councillors wished to get on with it as soon as it was available. But they weren't obliged to pass it now;

they could have considered it, as I made clear, for a good bit longer, a month or so if they wished to do so. I am glad they passed it now; I'm glad, Honourable Members, that you have done that, I think that is extremely wise.

Matters such as Shelf Proclamation and Legislation are really not simple issues; they do involve UK law, International law, technical matters, international affairs, and have very wide ramifications. International affairs or anything touching on them inevitably come into the province of the Secretary of State under the Constitution, though Councillors have been given full background on those aspects on this issue in the past few days.

It is not true to say that HMG and FCO ignore Councillors views or are unaware of them; I do pass them back constantly. Councillors have made their views known to ministers both here and in London; I think Councillors must admit that they have very good access to Ministers when they go home and I think that is perfectly right.

I can assure them, that even if it may not always seem the case, their views are also taken into account and not just heard. In this case now before us a huge area has been designated for surveying at one go; in the North Sea by contrast the UK had made twelve separate designations since 1964. A great deal of work has been done on all this by the Attorney General here, as Members have kindly acknowledged, by legal and other departments in London, including of course the Department of Energy, and Ministers have concentrated on it recently at a particular busy time in world affairs. At all events I note the points made by Members and will certainly pass them on. I am glad the Bill is passed as I have said, I hope we can now be pleased at what has been achieved and go ahead with the business of minerals surveying.

There is one other point, I am asked to draw to your attention Honourable Members, to the fact that there are three Bills in Select Committee which have been there for some time: Law of Contract (Amendment) Bill, Law of Property Bill, and Land Acquisition Bill. I appreciate the very heavy workload that Councillors have before them but I would ask that Members try and give their attention to these as soon as they can. I am told that the bank has made it clear that to have the Law of Property Bill passed, would enable the bank to make loans that it cannot make satisfactorily under the present law, and to give assistance to local businesses which is indeed necessary.

The Land Acquisition Bill. I believe under the present law, compulsory purchase of land is contrary to the human rights provisions of the Constitution; we need also to have the new Bill to comply with human rights conventions, which apply to the Falkland Islands generally.

Honourable Members, we have come fairly quickly to the end. Thank you for your forbearance. I adjourn the meeting.

Will Fine

1/6/92

## Appendix A

### QUESTIONS FOR WRITTEN ANSWER

(Asked between 2nd October 1991 and 28th November 1991)

#### Question 5/91 by the Honourable H T Rowlands CBE:

Will the Chief Executive confirm that the fourth provision relating to reciprocal visits, contained in the joint statement made by the British and Argentine Governments on 25th September 1991 excludes visits to military bases and naval units in the Falkland Islands?

#### Reply by the Honourable the Chief Executive:

The fourth provision relating to reciprocal visits in the joint statement issued by the British and Argentine Governments on 25th September 1991 does not include visits to military bases or naval units in the Falkland Islands.

#### Question 6/91 by the Honourable H T Rowlands CBE:

Will the Chief Executive confirm or deny the validity of the statement by John Barnham in the Financial Times on 26th September 1991 that "Argentina and Britain agreed regular flights between Buenos Aires and Port Stanley by a Uruguayan Airline for the first time since the war"?

#### Reply by the Honourable the Chief Executive:

It is confirmed that no agreement has been made, no application lodged nor discussed concerning regular flights between Buenos Aires and Port Stanley. This is contrary to the report in the Financial Times of 26th September 1991.

#### Question 7/91 by the Honourable T J Peck MBE CPM:

Will the Chief Executive provide an explanation in answer to the following questions concerning Phase II, Single Unit Accommodation in Jeremy Moore Avenue.

- a) The Tender Board sat on 29th April 1991 and considered a number of submitted tenders from local companies. The Public Works Department was recommended and subsequently awarded the contract. The original tender specified a cement block structure. This specification was later changed after commencement of work. Why was it changed? Who authorised the change? Why was it not put back to those other companies who tendered for them to have equal opportunity of re-tendering?
- b) Was mobilisation costs included in the PWD tender?
- c) Transport, plant and machinery, how was this calculated, and what is the cost overall?
- d) Who signed the contract documents?
- e) Are there any penalty clauses for failing to complete the works satisfactorily and what is the penalty?
- f) Are those persons employed on site all Government staff?

- g) Are those employed on GEU rates of pay, a higher rate, or a bonus?
- h) Has any of the works been offered to any private sub-contractor?
- i) Was any local business merchants invited to supply any of the materials?
- j) Were all materials available on site at the commencement of works?
- k) Was the supplies of plasterboard and swish cladding already part of Governments' stocks? If so, was today's pricing used or the cost at time of purchase?
- l) Was the completion date of the entire project, including landscaping, parking areas, the 14 October 1991? When can we expect to see this whole project complete?

**Reply by the Honourable the Chief Executive:**

- a) Consideration had been given to changing the method of construction of all single units during the planning of phase III to place less reliance on skills which were not readily available locally i.e. block laying, but as documentation for phase II had been prepared and there was not the capacity within PWD to alter the tender documentation at this stage without some delay, the Director of Public Works decided that as an engineering matter this could be negotiated with the successful tenderer by PWD after award of the contract.  
  
Changes in design after award of contract are quite usual and such decision are normally made by the Supervising Engineer, who in this case is the Director of Public Works.
- b) Mobilisation costs were included in the tender submitted.
- c) The bill of quantities was drawn up such that billed rates were "all in" and include for labour and plant within each item.
- d) No one has signed contract documents as the successful tenderer, a Crown department is undertaking a project for the Crown.
- e) There is provision in the contract documents for the application of liquidated damages. In view of the circumstances should a point be reached where these should be applied, these can be added to the project cost, instead of deducted from payments due. Penalty may not be used, and any damages recovered must relate to actual direct loss.
- f) All persons working on site are directly employed by FIG. Some additional employees were taken on for this project.
- g) Standard rates set up by FIG are being paid to all workers on site. No bonus scheme is in operation.
- h) As well as providing housing for local residents one of the key functions of this type of project is to provide Public Works Department apprentices with experience of a type which cannot be gained by carrying out routine maintenance. These apprentices will form the back bone of a truly local work force both in the public and private sector which, it may be recalled, was the case with the construction of major public buildings such as the Town Hall, Secretariat and Infant and Junior School. As a result no sub contracts were considered.
- i) Local business merchants, where their prices were competitive have provided materials. Failure by one such merchant to achieve the required delivery date is giving PWD some problem in sourcing alternative material to complete the work on schedule.

- j) Not all materials were available on site at the start of works. Materials not available from Government stocks being ordered on award of the contract to the Public Works Department.
- k) There were a number of different materials listed in the contract documents as being available to the successful tenderer from stock. All materials drawn from FIG stock for use on FIG works are charged at cost, if used directly by FIG departments. Plaster board and Swish cladding were held in Government stock at the time of the award of contract.
- l) 14th of October 1991 was not the project completion date. The project may be expected to be completed within the contractual period which, after allowance for weather related delays similar to those granted in respect of other FIG projects is 31 December. It is expected that the first 4 units will be ready for occupation by 31 October 1991.

**Supplementary Question to Written Question Number 7/91 by the Honourable T J Peck MBE CPM:**

The Chief Executive's undated reply to the written question does not explain the following:-

- a) (i) Phase III has never been put to the Planning Building Committee for that Committee to consider and approve the reduction in standards. The Committee take the reverse view i.e. to improve the standard of construction.
- (ii) Secondly, I find the reasons to proceed very weak indeed because there may have been a delay caused by the alteration of tender documentation. It must be considered completely out of order with regards fairness to tenderers for the Director of Public Works acting as Government to negotiate in house with its own employee, to re-negotiate a new specification with regards the contract. There can be only one conclusion drawn from this - that is Government has demonstrated that it can whenever it chooses decide to conduct its business to suit itself. This is unacceptable and can lead to all sorts of implications and suspicions.
- (iii) You did not answer openly why other tenderers were not invited to re-negotiate on revised terms. One must assume Government had no intention to let this contract go to anyone other than PWD: I request that Council be provided with complete copies of tender documents, contract and copies of correspondence etc, relating to the decision to change the specification and what was finally agreed.
- b) Your reply does not explain in detail the mobilisation costs and how they were presented.
- c) You have not answered specifically how these costs were arrived at, please give detailed costs against each one i.e. JCB x hours x days x operator, etc.
- d) It has been stated that PWD was able to tender on the same terms as a private builder who would have to sign and agree to contract terms, yet you now say Government is exempt from these terms. That no contract exists.
- e) Your reply to this question is difficult to understand if there is no contract. For the past 2 years I have repeatedly stated in Council that all contracts are to be vetted by our Legal Department to ensure Government is protected. The answer given makes it very clear that this is not so. I repeat Government seems to suit itself whenever it so desires.
- f) Those additional employees, were they recruited locally or were they recruited from Chile, St Helena or elsewhere? How many additional employees were recruited?

- h) Your reply would be worthy if this were to be fact. At a recent meeting, Councillors were informed that there were two skilled artisans working on site, the rest being semi or unskilled. How can such this contract be considered a "Key function" to provide experience for apprentices when there are not sufficient skilled artisans available.
- i) In reply to your answer, I have spoken to most merchants who import building materials, none have been approached by FIG. PWD has purchased small quantities of plywood. One merchant has supplied kitchens. I believe that some local supplier could and would have supplied material at much reduced rates than Central Stores.
- l) This is not a very satisfactory reply to my question, you have not stated whether landscaping and parking areas will be completed as part of the contract. This is the first I have been told that completion date is 31 December. I have been led to understand from Government that the contract was to be completed within 5 months from commencement. Another reason I understand for changing the specifications to reduce costs and time.

**Reply by the Honourable the Chief Executive:**

- a) (i) Both phase II (the current work) and phase III (just commenced) have been given planning and building permits by the Committee chaired by the Honourable Member, which approved the modified construction for phase III, where improvements to existing standards have been incorporated. At no time was a reduction in standards ever contemplated.
- (ii) There was no question of re-negotiation over a new specification, merely the substitution of one building element for another.
- (iii) Negotiations with all or more than one tenderer would have been undertaken had there been major design or specification alterations and had the tender figures been closer. As the change was relatively minor, and the next lowest tender figure was £104,700.56 higher at £347,065.20, there was absolutely no question that there would be an alteration in the order of the tender list or that there was any impropriety. The design change was recorded and notified on drawings which are enclosed, and the cost of the change has been calculated at £5.10 per square meter, giving a total extra cost to the contract, for a better standard of external wall, of £2402.10 (see attached sheet).
- b) A mobilisation payment was not claimed before the start of work, which would have been the case with a private contractor, therefore the money was retained within the Government with no loss of interest. Costs are being met as they arise, however the Preliminaries section of the contract was valued at £61,000.
- c) The pricing was carried out using 'Spons' building estimators price book, with allowance for higher freight costs.
- d) The PWD tender was based on the same tender documents as other parties. A contract is signed in order to bind a contractor to the Government, but as PWD is part of the Government, it is inherently bound. The signing of contract documents is therefore superfluous.
- e) Liquidated damages provide for the recovery of funds in the event of direct actual loss caused by an unauthorised overrun of the construction period. In the case of phase II this will not apply as they are being handed over early.
- f) Three additional employees were locally recruited, all of whom are Falkland Islanders.
- h) Apprentices are not skilled artisans. They vary from unskilled at the start of their trade



apprenticeship through to semi skilled, and are only considered skilled at the satisfactory completion of their apprenticeship. Electrical, plumbing and carpenter/joiner apprentices have been and are working on the project all under the direct supervision of tradesmen or the Works Manager. Training has also been given to non indentured young labourers on block and concrete laying.

- i) Purchase of materials by Central Stores is carried out on the basis that the Supplies Officer obtains the best prices he can. Some of the materials purchased directly by PWD from local sources include plywood, timber, concrete blocks and ready mixed concrete, as well as the kitchen units referred to in your letter of 21 October.
- l) Landscaping and parking will be completed as part of the contract. Footways are also being constructed which are an extra to the contract. The contract period is five months which starts at the end of a mobilisation period of 36 days after notification of award of tender, this being received at PWD on 21 May 1991. These periods together with a 5 week extension of time granted, due to exceptionally prolonged severe weather, gives a contract completion date of 31 December 1991. However the first of these units was completed and handed over on 14 October and 3 others will be ready for occupation by 31 October 1991, two months ahead of the contract date. The completion date of 31st December was reported to the Financial Secretary on 9th September for onward transmission to SFC, in reply to a request for a progress report at the SFC meeting on 21st August 1991.

As a general point it can be seen that even after the most probing and searching Questions, PWD have amply demonstrated that in competition they can carry out work to a high standard, cheaper than the private sector. Moreover the Director of Public Works is carrying out, to the letter, the requirements of Financial Instruction 308, "It is the responsibility of accounting officers to exercise strict economy in the votes under their control. Money must not be spent simply because it has been voted".

**Question 8/91 by the Honourable H T Rowlands CBE:**

1. Councillors understand that Foot and Mouth disease is still prevalent in certain South American countries and therefore, will the Chief Executive advise who authorised the sale of the recent consignment of beef containing bone received in the Falkland Islands from Uruguay and will he also explain why such authorisation was given?
2. In view of the changed circumstances both in the Falkland Islands and in South America, will the Administration consider reviewing the proclamation relating to the importation of animal products and plants into the Falkland Islands?

**Reply by the Honourable The Chief Executive:**

1. It is understood that there are occasional outbreaks of Foot and Mouth Disease in certain South American countries, including Uruguay. A consignment of beef was recently received in the Falkland Islands accompanied by a certificate purporting to be from a Uruguayan Veterinary Officer authorised to grant the certificates which internationally and customarily accompany export consignments of beef. Subsequent enquiries of the Uruguayan Ministry of Agriculture by the Government Veterinary Officer, Mr Michael Reichel, revealed that the certificate in question was fraudulent.
2. Under a 1985 Proclamation imports of uncooked meat are permitted if they are accompanied by a valid EEC form of export certificate. It should be noted that the relevant EEC legislation contains provisions designed to ensure that diseases, including Foot and Mouth Disease, are not present in meat exported. This is important because it is understood that quantities of Uruguayan beef have for some years been imported for

military consumption accompanied by appropriate EEC certificates. Because the EEC certificate in question appeared genuine the consignment could not be withheld.

3. The consignment of beef was released by the Government Veterinary Officer on the faith of the certificate subsequently found to be fraudulent. So soon as it was known that the meat (not having been de-boned) did not comply with the rules under the 1973 Proclamation, and on the basis that even an EEC certificate might not be sufficient, steps were taken to require that the meat should only be supplied in hotels and that the bones would be burned. At almost the same time officers also learnt that the certificate accompanying the meat was fraudulent although the local importers appear not to be implicated. The importers have been required to destroy all the meat and have attempted to recall all of it that had been sold.
4. A review by officers of the relevant Proclamations had commenced in July. This includes a review of the adequacy of the relevant EEC certificates and regulations, which may also have an impact on military importation of meat. A full report of the results of the review will be made to Honourable Members as soon as possible. The matter that has raised this Question has further highlighted the need for the difficulty to be addressed.
5. It is clearly vital that meat imports shall be free of any disease communicable to local sheep and cattle, as well as being free from any disease communicable to human beings. The review referred to will not however be restricted to meat imports but will cover all foodstuffs plants and seeds and may result in proposals for replacement of both the 1973 and 1985 Proclamations.

**Question 9/91 by the Honourable R E Binnie:**

Could the Chief Executive:-

- a) explain in what way the Convention and Statute on the International Regime of Maritime Ports of 1923 affects the Falkland Islands;
- b) list the nations signatory to the Convention;
- c) make available a copy of the Convention for Councillors and the Public Library?

**Reply by the Honourable the Chief Executive:**

- "a) The Convention and Statute on the International Regime of Maritime Ports of 1923 obliges the Falkland Islands to grant equality of treatment in its maritime ports with its own vessels to vessels of every state which is party to the Convention. In broad terms, it prevents the Falkland Islands refusing or restricting entry to its ports of a merchant vessel flagged in a State party to the Convention;
- b) The States who were signatories to the Convention are listed on page 7 of the Convention and were -

Germany  
Belgium  
Brazil  
United Kingdom (British Empire)  
New Zealand  
India  
Bulgaria  
Chile

Denmark  
 Spain  
 Esthonia  
 Greece  
 Hungary  
 Italy  
 Japan  
 Lithuania  
 Norway  
 Netherlands (with the exception of the overseas territories)  
 Salvador  
 Kingdom of Serbs, Croats and Slovenes  
 Siam  
 Sweden  
 Switzerland  
 Czechoslovakia  
 Uruguay

However Article 9 of the Convention provides for subsequent accession by any State wishing to do so. It is possible that a number of States have since 9th December 1923 become party to the Convention. It should be noted, in any case, that the United Kingdom signed for "the British Empire". This would have been effective to apply the Convention to all the Commonwealth Countries for the external affairs of which the United Kingdom was then responsible. Some 40 or more territories then part of the British Empire have subsequently become independent. The Convention will apply in respect of those countries also unless, by denunciation lodged with the United Nations, they have indicated their desire not to be bound by it;

- c) Copies of the Convention have already been made available to the Councillors Office and the Public Library.

**Supplementary Question to Number 9/91 by the Honourable R E Binnie:**

Could the Chief Executive provide a list of the present day signatories to the Convention and Statute on the International Regime of Maritime Ports of 1923?

**Reply by the Honourable the Chief Executive:**

The original parties signatory were set out in my Answer to the original question. Thailand (originally a party as Siam) ceased to be a party on 2nd October 1975. To them should be added:-

Antigua	(27 February 1989)
Austria	(20 January 1972)
Cyprus	(9 November 1964)
Fiji	(15 March 1972)
France	(2 August 1932)
Ivory Coast	(22 June 1966)
Madagascar	(4 October 1967)
Malaysia	(31 August 1966)
Malta	(15 April 1966)
Mauritius	(18 July 1969)
Mexico	(5 March 1934)
Monaco	(20 February 1976)
Morocco	(19 October 1972)
Nigeria	(3 November 1967)

Panama	(date unknown)
Trinidad	(10 June 1966)
Upper Volta	(18 July 1966)

Additionally -

The United Kingdom specifically applied the Convention and Statute to the following (now independent) territories at a time it was responsible for their external affairs or with their authority. All of the following (now independent states) do not appear to have denounced the Treaty and should perhaps be regarded as parties to it:-

- Australia
- Canada
- South Africa
- Eire (when Irish Free State)
- Southern Rhodesia (now Zimbabwe)
- Bahamas
- Barbados
- British Guiana (now Guyana)
- British Honduras (now Belize)
- British Solomon Islands (now Solomon Islands)
- Brunei (now Brunei-Darassalam)
- Ceylon (now Sri Lanka)
- Gambia (now The Gambia)
- Gold Coast (now Ghana)
- Gilbert and Ellice Islands (now Kiribati and Tuvalu (separate states))
- Grenada
- Jamaica
- Kenya
- Palestine (now partly Israel)
- St Kitts
- St Vincent
- Seychelles
- Sierra Leone
- Tanganyika and Zanzibar (now Tanzania)
- Tonga
- Transjordan (now Jordan)

The United Kingdom also applied it to all its dependent territories (including the Falkland Islands - and significant "ship-flag" territories such as Bermuda, Cayman Islands, Gibraltar and Hong Kong).

Belgium applied it to the Belgian Congo (now Zaire) and Rwanda Urundi (neither appear to have denounced it since independence).

Denmark applied it to Greenland.

France applied it to all its overseas territories, which then included a number of states which have not denounced it since becoming independent. These would have included Algeria, Vietnam, Laos, Cambodia and Lebanon.

The Netherlands applied it to the Netherland Indies, Surinam and Curacao.

New Zealand applied it to Western Samoa (which has not denounced it since independence).

In sum the Convention and Statute would appear to apply in respect of some 76 sovereign states and a number of non-independent territories in addition.