

**REPORT OF PROCEEDINGS OF  
TYNWALD COURT  
Douglas, Tuesday, 20th January 1998  
at 10.30 a.m.**

Present:

The President of Tynwald (the Hon Sir Charles Kerruish OBE LLD (hc) CP). In the Council: The Lord Bishop (the Rt Rev Noël Debroy Jones), the Attorney-General (Mr W J A Corlett), Mr B Barton, Hon C M Christian, Messrs D F K Delaney and E G Lowey, His Honour A C Luft CBE, Hon E J Mann, Messrs J N Radcliffe and G H Waft, with Mr T A Bawden, Clerk of the Council.

In the Keys: The Speaker (the Hon N Q Cringle) (Rushen); Mr L I Singer and Hon A R Bell (Ramsey); Hon R E Quine OBE (Ayre); Mr J D Q Cannan (Michael); Hon H Hannan (Peel); Mr W A Gilbey (Glenfaba); Mr S C Rodan (Garff); Hon D North (Middle); Mr P Karran, Hon R K Corkill and Mr J R Kniveton (Onchan); Messrs J R Houghton and E A Crowe (Douglas North); Hon D C Cretney and Mr A C Duggan (Douglas South); Mr R P Braidwood and Mrs B J Cannell (Douglas East); Messrs J P Shimmin and A F Downie (Douglas West); Hon J A Brown (Castletown); Hon D J Gelling (Malew and Santon); Sir Miles Walker CBE LLD (hc), and Mrs P M Crowe (Rushen); with Prof T StJ N Bates, Clerk of Tynwald.

*The Lord Bishop took prayers.*

**Welcome To The New Attorney-General**

**The President:** Hon. members, I welcome you all to this the first sitting of this ancient Court of 1998 and I particularly wish to extend a very warm welcome to the new member of the Council, William John Howarth Corlett, and congratulate this scion of an old Manx family on his appointment as Attorney-General and wish him well for the future.

**Members:** Hear, hear.

**The President:** May I also express my delight in having both the hon. member of the Council Mr Delaney and the Hon Arthur Luft back in their accustomed places this day.

**Members:** Hear, hear.

**Statement By The President**

**The President:** Now, hon. members, as we go forward into the year that the United Nations has determined to be the year of the sea, this parliamentary assembly, representative of the Manx nation, will undoubtedly face many new challenges as well as being afforded new opportunities: opportunities to throw off the local authority image that our ever increasing acceptance of other jurisdictions' decisions can possibly generate; opportunities to look at the effectiveness or otherwise of the operation of both private and government monopolies in the Isle of Man; to ascertain whether the public belief that we are, as a nation, becoming over-governed and over-regulated is correct; to consider the possibility of bringing Manx Radio and television under a Manx Wireless Telegraphy Act; to determine what is to be done about the basic industries withering on the bough; opportunities, Mr Attorney, for our draftsmen to transform the language of the law to make it more readily understandable to both ourselves

and the people we represent; and, looking ahead, opportunities to determine our relationship with the emerging Celtic nations. In the 21st century a Celtic federation is not beyond the bounds of possibility. Opportunities, hon. members, to get rid of the apathy of decades in respect of constitutional evolution.

I mention this because the hon. Mr Speaker and I have recently been privileged to attend the conference of Commonwealth presiding officers in Trinidad. In that setting we learned of a conference to debate the future, the future I would emphasise, of the dependent territories which is to be held in London in early February and chaired by Robin Cook. I understand that presently it is not contemplated that any Island politician will be in attendance.

Now, whether 'dependencies' are defined as Foreign Office dependencies or Home Office Crown dependencies, the fact remains, hon. members, that their future, indeed our future, is under scrutiny in the immediate future, and history, hon. members, has a few moments for every community when what they do, or fail to do, changes the future in dramatic ways. In the new world that is upon us we cannot count on second chances if we are to respond to the challenge of the new age. So let us not miss out on what, in the case of the London conference, may prove to be both a challenge and an opportunity.

### **Papers Laid Before The Court**

**The President:** Now to the business of the day. I call upon the Clerk to lay papers.

**The Clerk:** I lay before the Court:

Merchant Shipping (Miscellaneous Provisions) Act 1996 -

Merchant Shipping (Fees) (Amendment) Regulations 1997 (*SD No 666/97*)

Inland Fisheries Act 1976 -

Inland Fisheries (Duties) Regulations 1997 (*SD No 665/97*)

Town and Country Planning Act 1934 -

Town and Country Planning (Permitted Development) (Replacement Windows) Order 1997 (*SD No 664/97*)

Value Added Tax Act 1996 -

Value Added Tax (Payments on Account) (Appeals) Order 1997 (*SD No 637/97*)

Forestry Act 1984 -

Public Turbaries Byelaws 1997 (*SD No 642/97*)

Social Security Act 1982 -

Social Security Legislation (Application) (No. 9) Order 1997 (*SD No 650/97*)

Pension Schemes Act 1995 -

Pension Schemes Legislation (Application) (No. 4) Order 1997 (*SD No 651/97*)

Family Income Supplements Act 1985 -

Family Income Supplements (Miscellaneous Amendments) (No. 2) Regulations 1997 (*SD No 652/97*)

Department of Education -

Student Awards Scheme 1998 (*GC No 52/97*)

Report -

Special Report of the Standing Committee on Expenditure and Public Accounts on the Relationship of the Committee with Certain other Bodies.

Child Custody Act 1987 -

Child Abduction and Custody (Parties to Conventions) (Amendment) (No. 3) Order 1997 (SD No 663/97)

Value Added Tax Act 1996 -

Value Added Tax (Amendment) (No. 3) Regulations 1997 (SD No 582/97)

Currency Act 1992 -

Currency (Obverse Design) (Amendment) Order 1997 (SD No 622/97)

Currency (World Cup Football Crowns) Order 1997 (SD No 653/97)

Incumbents (Pastoral Breakdown) Measure (Isle of Man) 1996 -

Incumbents (Pastoral Breakdown) Rules 1997 (SD No 642/97)

Appointed Day Orders -

National Westminster Bank Plc Act 1997 (Appointed Day ) Order 1997 (SD No 641/97)

Lloyds TSB Act 1997 (Appointed Day ) Order 1997 (SD No 654/97)

Reports -

Interim Report of the Select Committee of Tynwald on Rushen Abbey.

First Report 1997-98 of the Standing Committee on Constitutional Matters on *Presidence at the Tynwald Ceremony at St John's* (A Report by the Council of Ministers).

### **Bill For Signature**

**The President:** We have a Bill for signature, hon. members, and if you are agreeable we will continue our business whilst it is being signed. Is that agreed?

**Members:** Agreed.

**The President:** Thank you.

### **Chief Minister - Absences - Question By Mr Singer**

**The President:** Turning now to the question paper, I call upon the hon. member for Ramsey, Mr Singer, to ask the question standing in his name.

**Mr Singer:** Thank you, Mr President. I beg to ask the Chief Minister:

- (1) *In cases of your absence from the Island and from meetings such as the Council of Ministers, House of Keys and Tynwald Court, do you have an appointed deputy; and*
- (2) *if so, who is that person, and does he or she assume the powers of the Chief Minister at that time?*

**The President:** The Chief Minister to reply.

**Mr Gelling:** Mr President, could I first of all take this opportunity, sir, of saying how good it is to see you back presiding over Tynwald, having been indisposed at last month's sitting, and if I may also take the opportunity of congratulating you on receiving the carved plaque of

appreciation which was presented to you at the 14th Conference of Commonwealth Speakers and Presiding Officers which was held in Trinidad and Tobago last week, to which you have just referred, in recognition of your services to the Commonwealth parliamentary institutions. I am quite sure all of us here in the Court are very aware of your long and unparalleled services to the Commonwealth Parliamentary Association and we are, without doubt, delighted that this honour has been bestowed upon you.

**Members:** Hear, hear.

**Mr Gelling:** If I can return now, Mr President, to question number 1 from the hon. member for Ramsey, Mr Singer, I do not have an appointed deputy. There are provisions in legislation for a deputy in cases where the Chief Minister exercises a specific statutory responsibility. Now, I refer there to the Interception of Communications Act or the Prevention of Terrorism Act as examples where the Minister for Home Affairs is, by statute, my deputy.

If I am absent from the Island for any reason I am contactable should that be necessary and if there is a need to ask someone to stand in for me during a particular absence to attend a meeting or chair the Council of Ministers, I will approach one of the ministers to deputise and not necessarily the same minister on each occasion.

**Mr Singer:** I thank the Chief Minister for his answer. Could I ask the Chief Minister? Do you not feel that a member of the Council of Ministers should be in the position of Deputy Chief Minister- after all, most jurisdictions do have such an appointment as Deputy Chief Minister or Deputy Prime Minister - and that members of this hon. Court should be made aware of who that person is?

**Mr Gelling:** Mr President, as I have explained, the actual statutory functions are very few for the Chief Minister and I have explained in those cases it is already laid down who that deputy is, and as far as chairing the Council of Ministers is concerned, it is often appropriate to have one of the other ministers chair that meeting perhaps because of the agenda items and therefore that person to chair it is selected perhaps to allow that meeting to take place where the agenda does not include something from their own ministry. So I would suggest that it is different from a minister of a department who has a statutory responsibility and therefore can appoint someone in his absence, but, as I have explained, I am always contactable and therefore I have not found it necessary.

**The President:** A further supplementary, sir?

**Mr Singer:** Thank you, Mr President. Could I therefore ask the Chief Minister? Could you tell me who has taken the chair, in your absence, in the Council of Ministers, person or persons, and do you not feel that we should consider seriously the appointment of an official Deputy Chief Minister?

**The President:** The second part has been answered, Chief Minister.

**Mr Gelling:** Yes, Mr President, there have been two ministers on the odd occasion that I have not been present at the Council who have chaired the Council and that is the Treasury Minister, Mr Corkill, and the Transport Minister, Mr Brown, and, as I have explained, I have not found at any time there has been a necessity for me to appoint someone because I am absent from the Island.

**Mr Houghton:** Mr President, at the time of the leadership election considerable support was shown for the member for Ayre, the hon. Minister for Local Government and the Environment, Mr Quine. May I therefore ask the Chief Minister if he would consider having a Deputy Chief Minister and that his right and proper choice should indeed be Mr Quine as the appropriate incumbent of this post, sir?

**The President:** I would rule that question out of order hon. member and proceed to question 2.

### **Sub-Committee For The Alleviation Of Unemployment - Question By Mr Rodan**

**The President:** Question 2, the hon. member for Garff, Mr Rodan.

**Mr Rodan:** Mr President, I beg leave to ask the Chief Minister:

*With respect to the Council of Ministers Sub-Committee for the Alleviation of Unemployment first established in 1992 -*

*(a) who are the current chairman and members of the committee;*

*(b) when did the committee meet during 1995, 1996 and 1997;*

*(c) how are schemes for the alleviation of unemployment currently administered;*

*and*

*(d) what funding is available?*

**The President:** The Chief Minister to reply.

**Mr Gelling:** Mr President, the Alleviation of Unemployment Sub-Committee was actually renamed as the Employment Opportunities Committee in September 1996 and the responsibility for its administration transferred to the Department of Trade and Industry at that time.

Now, the committee has always been chaired by the Minister for Industry since it was set up in 1992 and the Minister of the Treasury and two other ministers being appointed as considered appropriate.

Now, the committee met six times in 1995 and once during 1996, and it actually submitted its fourth and final report to Tynwald on its work in October 1996. Now, that was including the details of how the sum of £500,000 allocated to it by Tynwald had been spent, and it was agreed that any decision to reconvene should be at the discretion of the chairman, taking into account the level of actual and projected unemployment, and with virtually continuously falling unemployment since that time I gather that it did not prove necessary to meet therefore during 1997.

With regard to the question of funding, a small provision of some £50,000 was made in the Department of Trade and Industry's budget last year and again this year against the possibility that action might be deemed necessary.

**Mr Rodan:** Mr President, I thank the Chief Minister for his reply. Is he aware that the Department of Trade and Industry refused a request recently from the Manx Electric Railway to keep 10 men in work for 10 weeks through the winter at a cost of £20,000? Can I ask him who made that decision of the committee, which had been set up to give political direction, as I

understand it, to the Department of Trade and Industry over its administration of this scheme, if the committee did not actually meet during 1997, and, lastly, would he agree that paying these men to be unemployed costs the Isle of Man hardly less than paying them to work?

**Mr Gelling:** Mr President, I think we must realise that in fact this committee was set up at a time when unemployment was gathering apace and it was set up in a way that we could find work and in fact it was not deemed that departments should use it to circumvent the personnel budget or the financial budget. It was actually an open invitation to local authorities and anyone who could provide work for a certain period of time, and of course preference was given at that time to people to be taken on who perhaps had dependents and so on.

So that committee actually had done its job and did report, as I have said, to Tynwald and it was then transferred to the Minister for Industry to make the decision at what time perhaps it might be necessary, hopefully that it would not be necessary, to implement again that committee's workings if the unemployment situation did get perhaps worse. However, the figures do give us an indication that it is the other way.

Now, I would not wish members to think that a department who takes on temporary workers, then to keep them in full-time work, I would suggest that this is something that perhaps should be addressed by the department, that if those people are deemed to be required as full-time rather than seasonal workers, this is something that should be addressed rather than making a request to another department because, as I have said, it is really a case of that committee was set up, and in answer to the hon. member's question, who would make the decision, I would have to assume that it would be the Minister for Industry because that was where it was left, with that particular minister to make that decision if unemployment in the Island did start to increase.

**Mr Rodan:** Mr President, can I ask the Chief Minister then, is it the Minister for Trade and Industry who makes the decision as to what schemes should be reported out of a budget which, while administered by his department, does not actually belong to his department? Is it that minister who makes the decision in the absence of the committee to give the overall political overview when that committee does not actually meet? Is this proper, that it should be at the discretion of the minister to decide how these funds are spent?

**Mr Gelling:** Mr President, it is up to the Minister for Industry to decide whether or not the situation of employment in the Island is gaining, as I have said, in unemployed people, to actually call that meeting together.

**Mr Karran:** Eaghtrane, a supplementary. Would the Chief Minister not agree that there is a section of our community that needs some sort of sheltered employment and this section of the community have been lost because of the fact that we have not got some work schemes for that section of the community, and would he not also agree that there needs to be a question mark asked about fancy schemes, that are not necessary for the benefit of this Island, being done when there is not an unemployment problem and there is an overheating in the building industry and does he not think that they should be looking at that issue as well, so that we have some strategic planning for when unemployment comes back to the shores of this Island?

**Mr Gelling:** Mr President, I can well recall when this committee actually was announced that there was criticism from members of this Tynwald Court that here we were introducing

winter work schemes and at that time we were quite forceful in our thoughts that we did not want it actually to be winter work schemes, we were looking to try to keep people in employment rather than, as the hon. questioner who asked the original question said, actually receiving money for doing no work at all. But I think the hon. member for Onchan is now introducing something which is totally outwith that particular committee's remit and I think it is something that should be addressed differently from this particular question this morning.

### **Terrestrial Television Reception - Question By Mr Rodan**

**The President:** Question 3, the hon. member for Garff.

**Mr Rodan:** Mr President, I beg to ask the Chief Minister:

- (1) *Do you agree that owners of televisions which, because of their geographical locations, are incapable of terrestrial television reception, should be exempt from the full cost of the annual TV licence; and*
- (2) *will you request the British Government to make the necessary legislative changes to accommodate such exemptions?*

**The President:** The Chief Minister to reply.

**Mr Gelling:** Mr President, I am not sure that the term used in the question, 'incapable of terrestrial television reception', is one which would be recognised by the broadcasters. Now, the quality of reception varies greatly from place to place and in extreme circumstances, I know myself from personal experience, it is very poor indeed. My understanding is that it would be possible to receive terrestrial television anywhere on the Island with the right equipment. That means cost of course and broadcasters need to make judgements about the viability of providing enhanced reception to small pockets of population with very poor reception. Now, where the broadcasters do not make that investment, it is open to the individual to provide equipment to enhance the signal to his or her property, and I understand that advice can be obtained for that purpose.

Now, there is self-evidently a considerable variation in the quality of terrestrial television services received throughout the United Kingdom and of course the Isle of Man and the quality of reception also varies. The number of channels received also varies. There are regional programming differences. There is therefore an element of rough justice about the system which requires a flat-rate licence fee payable by all those with televisions regardless of the quality of the service.

The alternative to a flat-rate fee would be some form of graduated fee or an individual assessment of the quality of service received by each householder, but my understanding is that the authorities have always resisted such proposals and I see no realistic prospect of securing a relief such as suggested in the question. However, I will request a report from the Communications Commission on this particular subject.

**Mr Rodan:** Mr President, I thank the Chief Minister for confirming that he will seek a report on the situation. Will he also get a legal opinion as to whether the Isle of Man Government, through the Post Office, is actually entitled to ask for payment from members of the Manx public for a service they do not actually receive, and will he accept that being incapable of terrestrial reception does not just mean poor reception but it actually means non-existent reception under ordinary circumstances?

**Mr Gelling:** Mr President, again I suggested there that I personally have got experience in this direction because we cannot see BBC at all. However certainly all the enquiries that I have made, both personally and through the Chief Minister's Office, are that of course you pay the licence fee for having a receiver.

Now, whether or not you decide you like BBC television programmes, even if you can get a good reception, you still have to have a licence to receive Sky or whatever it might be and certainly the experience that I have had is that you can get aerials, you can get all kinds of equipment, running into long hundreds of pounds, but basically in the Island here at the present time you are far better going for Sky television, and I can assure you I am not on any retainers from Sky, but certainly that is the cheapest way around, and I would suggest to the hon. member that that is why of course it has always been resisted, that if you have a receiver, irrespective of what programmes you receive, you do need a licence fee.

**Mr Delaney:** Mr President, I thank the Chief Minister for informing us why we need to pay this particular licence which is so out of date to be laughable. Is it not time, would the Chief Minister agree with me, that because of the modern communication systems, the new communication systems, the intervention of all methods of the new receivership, the whole of this Wireless Telegraphy Act is reviewed and information be put to this Court, if it is not done by the people we have appointed to do it, a department or a group of this Court will do the job themselves?

**Mr Gelling:** Yes, I listened to the hon. member of the Council, Mr Delaney, as I listened very carefully to you, sir, this morning as you introduced our Tynwald sitting today. This is something of course that has been ongoing for many, many years. It is certainly something that we have been addressing of late. As you know, we have had a meeting with the BBC chairman. We are trying to actually establish something in that direction but certainly the other is a much bigger issue which does require addressing for the simple reason of the modern technical equipment and what is available in areas that we in the Isle of Man cannot take part in, and this is something, I think, which does need addressing.

**Mr Downie:** Mr President, I would like to ask the Chief Minister is he aware that in the United Kingdom, when people pay a fee for a television licence, they are entitled to certain rights under the Citizen's Charter? Would the Chief Minister consider making some enquiries within the UK Government as to what exactly what the rights are within the Citizen's Charter and see if there is a way that when a proper service can not be provided the person who is in receipt of low-quality and poor pictures or interference in reception is entitled to some reduction in their fee under the terms of the Citizens' Charter?

**Mr Gelling:** Mr President, this is something certainly that we can make further enquiries about but, as I have said, in the past it has always been resisted in as much as it will be quoted, and I feel sure quoted again, that it works out at something like 18p per person in the UK, in the Isle of Man it works out at somewhere in the region of pounds per person, I think it is something in the region of about £14 per person, and of course they do make quite clear that if there is a pocket of population in the region of 250 people they will actually look at a situation of trying to produce a better reception for those people, but that is the figure that they use, 250, so where you get little pockets, which we have in the Isle of Man, of maybe even half a dozen people it is exceedingly difficult to make a case as to why they should spend so much

money just to provide that little pocket of people here in the Island, as much as it is a nuisance and a frustration.

**Mr Delaney:** While welcoming the question to the Chief Minister from the Chairman of the Post Office currently would he not agree with me, the Chief Minister, that we are aiding and abetting the implementation of accepting the money from the BBC television licences, that we collect them for them, therefore helping to carry on this anomaly and this improper use of the Manx people as a tax revenue and income revenue for the British Government?

**Mr Gelling:** Yes, I fully appreciate that the licence fees that are collected in the Isle of Man go forward into the United Kingdom coffers and I well appreciate that we do not get anything back for any of our local radio stations because of course our radio station is a commercial company and therefore we do not get anything back this way, but of course I must say in their defence that there is a lot of expense already in actually producing the aerials and the transmitters here on the Island to actually provide us with a service and I would hope that later in the agenda, where I have a statement on our latest discussions and a letter from the BBC, I will be able to give you more information at that time.

**Mr Delaney:** Thank you.

**Mr Karran:** Eaghtyrane, a supplementary. Would the Chief Minister not agree with me that this Court is not just deluding itself but the people outside this Court by talking about controls over the TV licences and any input into the BBC when it will not address the fundamental issue of constitutional development and the fact that this is a piece of legislation from the old colonial days when the adjacent Isle legislated for this Island, and until this Court addresses that issue we are talking to ourselves and wasting this Court's time by talking about this issue?

**Mr Gelling:** Mr President, I hear again what the hon. member for Onchan is saying but I have to say that because of reception on the Isle of Man being poor in some areas it does not mean that we in any way are being deprived of something that we are rightfully entitled to because there are areas in Scotland and Wales who receive just as bad a reception, if not worse, and they are treated no differently than we are in the Isle of Man.

### **Isle Of Man Stock Exchange - Establishment - Question By Mr Rodan**

**The President:** Question 4, the hon. member for Garff, Mr Rodan.

**Mr Rodan:** Mr President, I beg leave to ask the Minister for the Treasury:

*What consideration has been given by Treasury to the establishment of an Isle of Man Stock Exchange?*

**The President:** The Minister for the Treasury to reply.

**Mr Corkill:** Thank you, Mr President. The Treasury has given little consideration formally to the establishment of an Isle of Man Stock Exchange. We are aware, though, that some offshore jurisdictions either have or are in the process of establishing their own stock exchanges. Bermuda has a stock exchange and this was followed in November of last year by the Cayman Islands. The most recent jurisdiction to announce the intention of establishing its own exchange is Guernsey which they propose calling the Channel Islands Stock Exchange.

We believe that these stock exchanges have been established for the principal benefit of the fund industries in those jurisdictions. It enables the funds to apply for listing on the local exchange and can be of benefit because some types of investors are bound by regulations in their own local jurisdictions to invest only, or predominantly, into listed securities. If the particular exchange in which such securities must be listed is not prescribed, then a jurisdiction can potentially attract investment into its local funds by enabling them to be listed. This removal of one of the barriers preventing certain investors from investing in some funds can be helpful if a jurisdiction wishes to promote itself as a one-stop shop for the establishment and listing of funds.

It is understood that the Cayman Island Stock Exchange has not yet become successful and the Bermuda Stock Exchange, which has been established for over 18 months, only had 105 listed funds in November. Jersey has given a cool reception to the Guernsey plans to launch the Channel Islands Stock Exchange.

In the Isle of Man the Treasury will continue to watch the situation with interest. It is not, however, considered that the establishment of a stock exchange in the Isle of Man would be of any great benefit to the local fund industry at this time.

**Mr Rodan:** Mr President, is the Treasury Minister saying then that he will not carry out an evaluation or a feasibility study into this idea? Will he agree that the feasibility study of Guernsey concluded that a stock exchange in their case would enhance Guernsey's international profile and prestige? Will he not at least carry out a study to evaluate the possibilities, the demands and the possible advantages for the Isle of Man, as an exercise at least, or has the Treasury already got its mind made up?

**Mr Corkill:** No, Mr President, the Treasury has not got its mind made up on this issue. We are monitoring what the other jurisdictions are doing and in terms of what the hon. member asks for, which is a study into the situation, that is not a problem. That is something that in fact by the placing of the hon. member's question, a certain amount of information has already been gathered from relevant areas including the Financial Supervision Commission, including the Isle of Man fund managers, for views on whether a stock exchange would be worthwhile to the economy of the Island.

It is important to mention, though, that in terms of where resources are placed, the fund managers themselves feel that they would be better placed elsewhere to the benefit of the Island at this time.

But to go back to the hon. member's supplementary, Treasury has not said no to an Isle of Man Stock Exchange but we just do not at the moment see the benefit from it. But to do what Guernsey has done and to have a study into the situation is not a problem.

#### **Protected Cell Companies Legislation - Question By Mr Crowe**

**The President:** Question 5, the hon. member for Douglas North.

**Mr Crowe:** I beg leave to ask the Minister for the Treasury:

*What progress is being made regarding the introduction of protected cell companies legislation in the 1997-98 legislative programme?*

**The President:** The Minister for the Treasury to reply.

**Mr Corkill:** Mr President, earlier this year the Treasury entrusted the progressing of protected cell legislation to the insurance and pensions authority, as at that time market interest in this product appeared focused almost exclusively on its potential for captives. After extensive research and consultation by the authority, it appeared to it that there might have been a possible competitive edge if a more general application was the case, so in December I asked the commercial development division to look at the potential for legislation to create protected cell companies for areas other than captive insurance. Following my request, the division consulted with the legal profession who are to come back with proposals for legislation if potential for business outside the captive sector is confirmed.

If Treasury is to promote legislation for protected cell companies, it will need to be satisfied that they give rise to genuine commercial benefits. When a response is received, a paper will be prepared for the Treasury, outlining the options. Decisions will then be made as to the feasibility of progressing this legislation during the current legislative programme or during the 1998-99 session.

**Mr Crowe:** Mr President, first of all I would like to thank the Treasury Minister for his full reply, but as a supplementary question would ask, is he aware that since the legislation was introduced into Guernsey about a year ago five protected cell companies have been registered for the insurance sector, eight companies relating to the investment fund industry and then a further four are in the pipeline for approval? Would you agree that this demonstrates that the Isle of Man is at present not competing in this particular segment of the marketplace and the legislation should be brought forward sooner rather than later?

**Mr Corkill:** Mr President, I am aware of the hon. member's concern that this legislation be progressed perhaps more rapidly than is in the government's legislative programme which has been there for some time. The problem has been whether to restrict the legislation to the insurance captive sector - as the hon. member says, it has been seen in Guernsey as to be a competitive edge - but in recent times it has become clear that a more general application for this legislation may be appropriate to the economic welfare of the Island, and this is the stage that we are at.

It is a matter that Treasury is considering currently and therefore I can give the hon. member assurance that it is not on the back burner and we will progress it as quickly and as appropriately as possible.

### **Public Lottery - Plans - Question By Mr Shimmin**

**The President:** Question 6, the hon. member for Douglas West, Mr Shimmin.

**Mr Shimmin:** Thank you, Mr President. I beg leave to ask the Minister for the Treasury:

*What plans do you have for the public lottery in 1998?*

**The President:** The Minister for the Treasury to reply.

**Mr Corkill:** Mr President, as the public lottery has only had limited success in 1997, raising about £30,000 for the public lottery trust, it is not proposed to operate an Isle of Man public lottery in 1998.

Discussions have reached an advanced stage with the United Kingdom Government for the introduction of the United Kingdom national lottery into the Isle of Man and I hope to bring

some proposals to Tynwald in the near future. If we are unsuccessful in this area, although all the signs are positive, then a privately run lottery will be examined in more detail for 1999.

An option for 1998 is for Treasury to provide in the budget a contribution to the public lottery trust for 1998 as a short-term measure, pending a longer-term solution, but this obviously would require Tynwald to decide on this issue.

In view of the continued decline in popularity of the Manx lottery, because of pressure from the United Kingdom lottery and other factors and the administration involved in the Treasury and by sellers, I can only repeat that at this stage it is not the intention to operate a Manx public lottery in 1998.

**Mr Delaney:** A supplementary, Mr President. Treasury Minister, will you inform us during these final hopeful negotiations that when and if we manage to bring the British lottery to the Isle of Man, an amount of money will be set aside by Camelot for this government and the people of the Isle of Man to distribute rather than letting them decide what sort of Mickey Mouse schemes they wish to support with their lottery money?

**Mr Corkill:** I understand the hon. member's concern and certainly it would be of great concern to me if any of that decision-making was taken off the Island, and that would not be part of a proposal that I would bring to this hon. Court.

It saddens me that the local Isle of Man lottery is not successful at the moment but we have a statutory responsibility within the legislation that is provided that expenditure on overheads must not exceed 30 per cent of the ticket sales, and in this last financial year it was marginally above that 30 per cent figure and therefore it would be wrong of Treasury to advance another scheme for the coming year because we would be ultra vires.

**Mr Karran:** Eaghtyrane, would the Treasury Minister not agree that once again we see in this hon. Court that we are being misled? The fact of the matter is that there will be no chance of getting the UK lottery to this Island within a matter of three years to five years into the new millennium.

Would the Treasury Minister also not agree that what we are seeing here today is a policy that has been dictated by the staff within the Treasury in allowing this to be slowly but firmly destroyed because of political rhetoric, with the staff believing that they should not be running this and this should be done as a thing by a commercial firm?

**Mr Corkill:** The absolute contrary is true, Mr President. I believe that certain members within this hon. Court have actually talked down the Manx lottery by drawing attention to its decline on a repeated basis, and I think that is unfortunate, but I think the major decision has been made by the people of the Isle of Man who have decided not to support it by not buying tickets, and that is for them to decide.

The other problem that we have is that at one time we had 200 ticket sellers - in fact there was a waiting list of people who wished to sell tickets - and in fact that is down to 120. There is little enthusiasm from them to sell the tickets and in that sort of climate it is very difficult to sustain what I would have hoped to be able to sustain, but it is difficult to sustain a lottery under those situations.

**Mr Delaney:** Would the Treasury Minister agree with me that you have as much chance of winning the British lottery as getting water in Little London? *(Laughter)*

**The President:** The hon. member for Michael, appropriately.

**Mr Cannan:** Mr President, will the Treasury Minister inform us what the specific recommendations were of the trustees of the lottery trust, not the administrators, the trustees of the lottery trust? What was their recommendation? Was it that the lottery should cease this year?

**Mr Corkill:** With due respect to the public lottery trustees, Mr President, they are charged with the duty of spending the revenue that is brought in by the lottery, and that is provided to them by the lottery which is run in the way it is run.

I understand the concerns from the lottery trust. The chairman and the members of the trust have all expressed their concern to me over a period of time about the continuing decline in receipts, but at the end of the day, they are there to discharge those receipts to the causes that they think are correct, and having been a member of that trust myself at one stage, I can understand their frustration. But at the end of the day, it is not their decision. It is not really Treasury's decision. It is the decision that was taken when the primary legislation was made, to in fact make sure that the administrative costs did not run over 30 per cent of the ticket sales, and once you get to that situation it is very difficult to climb out of it, and that is the reality of it.

**Mr Karran:** Eaghtyrane, could the Treasury Minister inform this hon. Court what new initiatives were ever taken with the lottery tickets over the last three to four years? Also, the members of this hon. Court wrote to him about proposals for new initiatives for the survival of the Manx lottery and could he inform this Court whether anything was done about letters or about the initiatives that were needed in order to make this lottery survive? And would he also not agree that there has been a war of attrition to kill off the Manx lottery because his department wanted to do so?

**Mr Corkill:** That is absolute rubbish, Mr President, and I am beginning to get rather angry about this because the situation is that the administration is dealt with by Treasury. It is not a private lottery, as is elsewhere, and the costs are now beginning to fall on the taxpayer, and that cannot be allowed because that is not the way the legislation is framed. It is unfortunate that people do not support the lottery. If ticket sales were buoyant, it would be a good thing.

The hon. member has got the wrong end of the stick yet again on this particular issue. If he has a good initiative or an initiative that will rejuvenate the lottery, then I would be glad to hear it.

**Mr Karran:** Could I have a reply as to what new initiatives they have done or does the minister not need to answer!

**Mr Delaney:** Resign, minister!

**Mr Corkill:** Mr President, we have looked at all sorts of schemes where the tickets have been different, where you have had prizes instead of cash prizes, the value of prizes has been changed, we have had different arrangements for the draw, we have examined proposals from the private sector for a local Isle of Man lottery. Unfortunately I do not believe and the Treasury did not believe that they were viable options. We are in a climate where the United

Kingdom lottery is beating the competition, and that is the reality and that is something I have realised that obviously the hon. member for Onchan, Mr Karran, cannot understand that.

### **Prescribing By General Practitioners - Question By Mr Braidwood**

**The President:** Question 7, the hon. member for Douglas East, Mr Braidwood.

**Mr Braidwood:** Thank you, Mr President. I beg leave to ask the Minister for Health and Social Security:

*Has your department sanctioned the prescription by general practitioners of any drugs not included in the drug tariff?*

**The President:** The Minister for Health and Social Security to reply.

**Mrs Christian:** Mr President, the prescribing of drugs by general practitioners under the National Health Service is governed by legislation. This enables a practitioner to order on prescription any listed drugs, chemical agents or appliances which are needed for the patient's treatment. The statutory definition of 'listed drugs and medicines' means such drugs and medicines as are included in the drug tariff.

However, in 1985 the National Health Service, both in the United Kingdom and the Isle of Man, introduced a blacklist of drugs, being drugs and other substances not to be prescribed for supply under pharmaceutical services. This measure was aimed at restricting the prescription and supply of certain drugs which were more expensive than others having the same clinical or therapeutic effect, as well as certain substances which were not regarded as drugs forming part of pharmaceutical services.

During consideration of the legislation to give effect to those further restrictions in 1985 the then Health Services Board sought and secured statutory approval to the continued availability locally on an NHS prescription of two specific drugs, both of which were accepted at that time as justifiable, despite professional guidance that other drugs available produced identical benefits. Since then the department's policy has been to follow exactly the professional criteria adopted in the United Kingdom in relation to NHS prescribing which takes account of both cost and safety.

I can confirm that, with the exception of those two specific drugs, one of which is permitted in the UK NHS in certain circumstances, the other of which is blacklisted totally in the UK, the department follows exactly those drugs and other substances available under the NHS as set down in the drug tariff.

**Mr Braidwood:** Mr President, I am a little bit perplexed with the minister's reply because I do believe that clorazepate dipotassium capsules are prescribed in the Isle of Man and they are not on the drug tariff. Last month in this hon. Court the minister, in replying to a question over the prescribing of Novapen needles to diabetics, stated quite categorically that there was a statutory application to the drug tariff of the UK and no other drugs not included on the drug tariff could be prescribed in the Isle of Man. Therefore is the minister now saying that there are exemptions to these rules?

**Mrs Christian:** Mr President, I hope I had made clear in my answer to the question that in 1985 the Health Services Board at that time approached Tynwald and got statutory provision for two drugs to be included in the Isle of Man tariff which are not part of the UK tariff, they are part of the Isle of Man tariff, and I have indicated that since that time there have

been no exceptions to that rule and that the department has since that time accepted the UK drug tariff and has not moved away from it.

The hon. member has referred to clorazepate dipotassium. That is one of the drugs which is on our list. It is totally blacklisted in the UK. The other drug, which is carbocisteine, is permitted for certain usage in the United Kingdom and is on our drugs list here without a restriction as to how it may be used.

The use of clorazepate dipotassium is fairly limited in the Isle of Man. The cost per annum of prescriptions currently is £5,000.

**Mr Braidwood:** Mr President, I am glad the minister has mentioned the carbocisteine capsules and syrup because that is only allowed to be prescribed in certain circumstances but is regularly prescribed in the Isle of Man.

Following on the minister's reply, would she then have a look at Novapen needles, sanctioning the prescription of those, because the amount of cost to the Isle of Man would only be £5,000 to £7,000 and as the diabetics at the moment receive all their prescriptions free of charge under the exemption criteria?

**Mrs Christian:** Mr President, the exemptions, the variations from the United Kingdom list are in fact items which were hitherto on the UK list and, as I indicated, there was introduced a variation in the Isle of Man in 1985. Novapen needles have never been on the list and to that extent are in a somewhat different category. However, I am aware that in the United Kingdom Novapen needles are being given very close consideration at the moment to consider whether they should be introduced into the drug tariff, and I suspect that it will be not too long before a decision is taken under the current review as to whether Novapen needles will be introduced. Should that be the case, then we will follow suit in the Isle of Man.

I would comment on the hon. member's pricing of the potential introduction of Novapen needles. The hon. member is correct in so far as the department has been able to establish a potential cost for the introduction of Novapen needles. However, that was on the basis that the pens themselves would continue to be free, as they currently are provided by the manufacturers. I have a suspicion, however, that if they become part of the drug tariff, it is unlikely that the producers of these pens will continue to issue them as a free issue and therefore the cost would be somewhat higher.

### **Ramsey Ambulance Station - Rota - Question By Mr Singer**

**The President:** Question 8, the hon. member for Ramsey, Mr Singer.

**Mr Singer:** Mr President, I beg leave to ask the Minister for Health and Social Security:

*What progress has your department made towards introducing a full 24-hour rota at Ramsey ambulance station?*

**The President:** The Minister for Health and Social Security to reply.

**Mrs Christian:** Mr President, in reply I should first explain that the Isle of Man ambulance and paramedic service operates from two stations, Douglas and Ramsey. The station at Douglas is manned 24 hours a day, the station at Ramsey is manned between 7.30 a.m. and midnight each day and the remaining hours are covered by staff on stand-by duty.

The number of emergency calls made to Ramsey station between midnight and 7.30 a.m. is small. Notwithstanding that, performance standards in relation to emergency ambulance response times are continually being tightened and in recognition of this the department has accepted the principle of moving towards a full 24-hour ambulance service in the north of the Island as and when resources, both financial and manpower, become available. Having said that, the hon. member will appreciate that the department has many competing demands for the provision of health care, and that being so, any enhancement to the ambulance services has to be considered in the context of the health service's requirements overall and then the department's requirements after that.

**Mr Singer:** Mr President, minister, in view of the fact that at the 1997 June Tynwald you refused a review of the ambulance service as there had been a review carried out by Pannell Kerr Forster, would you inform me if your department accepted that report's recommendations, particularly recommendation number 10 which stated that the emergency cover provided by Ramsey is extended to 24 hours? And do you not think that we have waited and you have had time enough, that is, four years since that report was carried out, to introduce this proposal as recommended by the consultants?

**Mrs Christian:** Mr President, the hon. member has referred to the Pannell Kerr Forster report and I think in my answer I did indicate that we did accept the recommendations of that report in that we do support the principle of extending the service in Ramsey to a 24-hour service.

I think I try frequently to convey to the members of the Court the difficulty which the department has in meeting all the demands which are placed upon it. We do want to extend the ambulance service. I know that in my last year in the health division we put quite considerable sums into the ambulance service. However, the Ramsey extension was not the priority within the ambulance service itself and so at this stage it has not happened.

I have to say that in terms of the division's priorities at the moment, the extension for the service at Ramsey, which will require two whole-time equivalents and a cost of £33,200 per annum - that is the increased cost - that bid lies under priority 1B, which is about on the second page of A4 priorities. So whilst I have sympathy with the hon. member in pursuing this particular issue, I would just ask him to take a look at the overall position in the department and recognise that we do have some difficulty in introducing this extension at this particular time.

**Mr Delaney:** Mr President, as a recent recipient of an excellent service from the ambulance, do you not think that the people in the north of the Island deserve the £33,000-plus this service as well as the rest of us enjoy?

**A Member:** Hear, hear.

**Mr Brown:** And the south.

**Mrs Hannan:** And the west.

**Mr Delaney:** Is it not a very good investment for the people of the Isle of Man?

**Mrs Christian:** Mr President, I do not doubt that we all deserve very many things from our health service. The fact of the matter is that we cannot or have not been able to fund them all, either through our financial restrictions or through our manpower restrictions. Now, every

department has to struggle with both of those issues and every member has concerns about both those issues.

If the department is given further funding, I have to say that I would ask any member of the Court to look at the way in which we are listing our priorities. I have no doubt that next week or next month there may be a member asking for further services in some other area, with equal pressure.

All I can say is, yes, there is a wish on the part of the department to extend this service, a recognition that it would be clearly preferable to have a 24-hour service in the north, but what we do have to recognise is that so far as I am aware, we have had no complaint about the on-call service in the north. It seems to be working satisfactorily. The number of call-outs between the hours when the service is not fully manned is limited and therefore one has to take that into consideration.

The pressure that is being applied to the department is perhaps not so much pressure from the community as pressure by the increasing standards that the ambulance service aspires to meet, and I have to say that, by and large, they are coming within the standards which are set for them to meet.

In terms of the service at Ramsey, the aim is to improve the speed of call-out. Currently, the activation time is not being met because people are on stand-by and not on site. However, the response time to the actual incident is being met in terms of the target figures, that is 95 per cent of calls being met within 19 minutes. I do not believe that there is a great abundance of evidence that the stand-by service has adversely affected anybody currently, and I would just ask members to bear in mind that whilst this may be a desirable improvement, it has to be considered along with all the other commitments and service provisions that the department is asked to provide.

**Mrs Crowe:** Mr President, whilst I support the hon. member for Ramsey, Mr Singer, in his endeavour to have a 24-hour ambulance service in Ramsey, could I ask the minister when there will be provision for any ambulance service in the south of the Island, and is she aware that we are solely dependent on the worthy volunteers who man the Rushen emergency ambulance service?

**Mrs Christian:** Mr President, the hon. member is not solely dependent on the Rushen ambulance service because the NHS service covers the south of the Island. I accept that there is an enthusiasm in the south of the Island with the Rushen ambulance service and that is to be welcomed. The department is concerned to work with the Rushen ambulance service, and has offered to provide the necessary training which we believe is necessary for the health service to make use of the Rushen ambulance service and we would very much welcome a co-operation with the Rushen ambulance service but we have a responsibility to those who use the service to ensure that the people who respond are adequately trained and so on.

In terms of the response times there, we have new response times to try and meet. The service is taking steps to try and meet the new targets, we are in discussion with GPs, we are looking at single-manned paramedic vehicles to give a quick response to any incident and we are hopeful of being able to negotiate with the Rushen ambulance service to provide, in conjunction with them, a service which is satisfactory in terms of its response and its skills.

**Mr Delaney:** Thanking the minister for the fact of giving us information that they are looking at response times, and we all know the serious matter of minutes can make a difference when you are not too well, could we be assured that when you have a situation when you have got this information back, if necessary one of the priorities will be established as the need to fit and get as quickly as possible to the people in the south and the north of the Island in comparison with the people in Douglas so that we will all benefit from this rapid response?

**Mrs Christian:** Yes, Mr President, obviously if you live in a rural area it is not so easy to provide as quick a response time as if you live near to the place where the ambulances are based. This is why we are looking at providing services throughout the Island to give a quicker response even if it is only a single paramedic response in the first instance, to get the service to the people more quickly. That is our objective. It has to be slotted within our overall budgetary provision and measured up against the health benefits in the wider context.

**Mr Singer:** Mr President, minister, as the 24-hour ambulance service at Ramsey is under priority 1B and that has already meant a wait of four years, how much longer do you think we will have to wait until you get to priorities 1B?

**Mrs Christian:** Mr President, that depends to what extent this Court is prepared to fund the health service.

#### **Department Of Tourism And Leisure - Seasonal Employees - Question By Mr Rodan**

**The President:** Moving on, hon. members, to question 9, I call upon the hon. member for Garff, Mr Rodan.

**Mr Rodan:** Mr President, I beg leave to ask the Minister for Tourism and Leisure:

- (1) Does your department retain into the winter period seasonal manual workers employed on the railways from April to October; and*
- (2) if so, for the years 1995, 1996 and 1997 how many such seasonal employees were so retained; and*
- (3) how were their wage costs funded?*

**The President:** The Minister for Tourism and Leisure to reply.

**Mr Cretney:** Thank you, Mr President. Temporary seasonal staff have been historically employed by the public transport division of my department to work during the summer to supplement permanent staff. In the last few years the division has also been able to employ temporary staff to assist with engineering work during the winter.

The number of temporary staff employed during the winter period is as follows: for the 1995/96 period between January and April 1996, 20 persons; for the 1996-97 period between March and April 1997, 13 persons; and for the 1997-98 period between October and December, 11 persons.

In 1995 and 1996 wage costs were funded from the alleviation of unemployment programme operated by the Employment Opportunities Committee. In 1997 my department identified funds from within its own budget. These funds did not permit employment of the temporary staff concerned after December 1997.

**Mr Rodan:** I thank the minister for his reply. Would he agree that in fact there has always traditionally been plenty of work over the winter period for retained employees and especially so this winter with the steam 125 anniversary coming up. Why was it therefore not possible to anticipate the continued funding of the men which his department laid off on 19th December, the 10 men involved or 11 men involved, in planning the department's budget for steam and electric railways for this financial year? Why was it necessary to rely on funding them from a scheme for the alleviation of unemployment which we heard earlier has been put on hold?

**Mr Cretney:** Mr President, in making its forward plans and budget plans the department did make application to the Department of Industry, as it has traditionally done. It made application in July and again repeated the request in November. Unfortunately this year those funds were not available and so we were able to identify funds from within our own budget.

The work concerned here is desirable but not essential. I think we need to make that point, and I recognise, as was indicated by one of the hon. members earlier, that some people will, sadly, remain on the unemployment list and I believe it would be far better for them to be doing some work even if it is only deemed to be desirable rather than essential, rather than being on the unemployment benefit list, and I would like to see as a matter of public policy us doing something about that in the near future.

**Mr Rodan:** Will the hon. minister therefore in the light of that answer be requesting that the Employment Opportunities Committee do actually meet, not having met in 1997 at all, do actually meet, and that he puts his department's case to them in the light of what he said, that it is better to pay men to be in work than to pay them to be out of work?

**Mr Cretney:** Mr President, I am not convinced that it is for the Employment Opportunities Committee. I think it is a matter more, with respect, for the Department of Health and Social Security and I will happily put forward proposals to them, but obviously it would be a matter for the Department of Health and Social Security to determine whether, in conjunction with others including my department, it would be appropriate for people to have an enhanced unemployment benefit scheme or something like that, which I think would be far better and I think the people would be happier with that themselves rather than just going and receiving unemployment benefit, for a number of people, but that is a matter of public policy which has as yet to be decided.

In terms of the current scheme, the Chief Minister has already indicated that in 1996 the committee reported to Tynwald and the money which had been allocated by Treasury for that purpose had been used up.

### **Road Safety - Promotion Policy - Question By Mr Downie**

**The President:** Question 10, the hon. member for Douglas West, Mr Downie.

**Mr Downie:** Thank you, Mr President. I beg leave to ask the Minister for Transport:

*What is the current policy of your department on the promotion of road safety?*

**The President:** The Minister for Transport to reply.

**Mr Brown:** Mr President, my department's policy regarding the promotion of road safety is to continue to improve the identification of hazards, to seek to improve road crossings for pedestrians, to provide more effective facilities for removing surface water, the implementation

of traffic restraints, to promote the voluntary testing of motor-vehicles, to provide cycle proficiency training for school children through the schools and to generally promote a recognition within our community of the importance of road safety.

**Mr Downie:** I would like to ask the minister. For approximately the last 10 months we have been without any form of properly qualified road safety officer. I would like to ask him who in his department is giving qualified advice on road safety, particularly with regard to planning matters, and can he tell us if there is any budget in his department currently for this position?

**Mr Brown:** Mr President, presently the department receives advice from the assistant road safety officer, Mrs Dawn Henley, and she is carrying out the functions within that section.

As for the point that for 10 months we have been without, as the hon. member said, a properly qualified officer, I would just say that one of the things that I felt was important when the last road safety officer left the employment of the department when he retired was that we reassess that position before we just make another appointment and that we reassess the structure of that section. That work has been undertaken and my department is now progressing for a new appointment and we hope to have that person in position by, or before I should say, TT period.

**Mr Downie:** I would like to ask the minister was his department involved in any way in the recent drink-driving awareness campaign at Christmas and what other areas of advertising or promotion has he got planned for the forthcoming year?

**Mr Brown:** Mr President, to answer the first part of that question first, it was the road safety section of my department who undertook throughout this festive season the campaign which the hon. member is talking about, the drink-driving campaign, and that was undertaken by my department, funded by my department, and we received a request from the Isle of Man Constabulary to link up with our campaign and of course we were pleased to accommodate their request.

As far as ongoing matters are concerned, we have a seat belt campaign in partnership with the police and the Department of Education which we are going to undertake. We have had a number of other initiatives through the year: child safety seats and that was in conjunction with Mothercare; a 'Kill Your Speed' campaign was undertaken during 1997 as well as the drink-driving campaign. So the department does have a number of campaigns and of course the build-up to TT period which is a campaign for both locals and visitors, and ongoing things that are undertaken to advise people of the Island's situation during that period.

So there is work still carrying on, officers are still promoting it, and of course a lot of work is done with the schools in trying to ensure the safety of the children.

#### **Isle Of Man Steam Packet Company Limited - Fares - Question By Mr Downie**

**The President:** Question 11, the hon. member for Douglas West, Mr Downie.

**Mr Downie:** Thank you, Mr President. I beg leave to ask the Minister for Transport:

*Has the annual round of discussions to set fares under the user agreement been satisfactorily concluded between your department and the Isle of Man Steam Packet Company Limited?*

**The President:** The Minister for Transport to reply.

**Mr Brown:** Mr President, the Isle of Man Steam Packet Company Limited submitted written details of their proposed fares and charges for 1998 on 10th November 1997 after discussions with my department. My department agreed with the figures produced by the Isle of Man Steam Packet Company Limited which showed that the average increase was 2.16 per cent. This increase fell within the increase permitted under the user agreement, that being the annual percentage rate of increase in the Manx retail price index for the 12 months immediately preceding the issuing of the notice less  $\frac{1}{2}$  per cent of 1 per cent, this giving a maximum permitted increase of 2.2 per cent. My department confirmed its agreement to the revised fares and charges by letter to the company.

**Mr Downie:** I would just like to ask the minister if he is aware that in the scheduled sailing for the forthcoming season along with the fares schedule there are no references made to excursion fares and were excursion fares discussed during the talks, as it will be noticed from consulting this document that in actual fact now the return fare to the UK on the Steam Packet at peak time is now more expensive than a flight with either Manx Airlines or Emerald, and does this give him some concern?

**Mr Brown:** Regarding the first part, Mr President, I am not aware whether or not the excursion fares were discussed but I presume they would be because my understanding is that the company in its discussions gave a broad outline as to how they envisaged they would be setting fares and promotions for the Isle of Man.

As to whether or not their fares are cheaper or more expensive than the airlines I believe is a matter clearly for them. They are in a competitive world. Under the user agreement, as I indicated earlier, we have a formula which identifies the average fare and we are only ensuring they comply with the agreement that is signed between the two parties. I am sure they are very conscious of the implications of their fares being more expensive than the airlines.

**Mr Delaney:** Would the minister tell the Court whether he consulted with the Minister for Tourism that they were going to have these meetings on this, for his information, and would he give an assurance if not that in future before he has discussions with this important company in tourism he will discuss with the Minister for Tourism the fares that are being volunteered?

**Mr Brown:** Mr President, the fares that are indicated, the increase that is indicated by the Steam Packet Company prior to my department's agreement, as I understand it, are referred to the Department of Tourism and Leisure for any views they may have.

#### **RoPax Vessel - Sufficiency Of Vessels - Question By Mr Downie**

**The President:** Question 12, the hon. member for Douglas West, Mr Downie.

**Mr Downie:** Thank you, Mr President. I beg leave to ask the Minister for Transport:

- (1) *Who is the beneficial owner of the new RoPax vessel presently under construction and to be used by the Isle of Man Steam Packet Company; and*
- (2) *are you satisfied that from the start of the 1998 winter sailings the Isle of Man Steam Packet will have sufficient vessels to meet its obligations under the user agreement?*

**The President:** The Minister for Transport to reply.

**Mr Brown:** Yes, Mr President. As far as my department is aware, the beneficial owner of the new RoPax vessel, *Ben my Chree*, once this vessel has been constructed, will be the Isle of Man Steam Packet Company Limited.

In answer to part (2) of the question, under the terms of the user agreement the Isle of Man Steam Packet Company Limited has to meet certain obligations with regard to services. The new *Ben my Chree*, based on its proposed sailings schedule, will provide more than adequate capacity to meet these obligations during the winter of 1998.

**Mr Downie:** Mr President, I would just like to ask the minister what back-up or stand-by arrangements have been agreed to ensure continuity of service in the event of a breakdown or mechanical failure of the winter passenger vessel during the end of the season period?

**Mr Brown:** Mr President, under the basis of the agreement the Steam Packet Company has to provide a number of sailings per week and that is, as I understand reading it, not less than six such return services in a week. This is subject to any weather conditions to provide a passenger and accompanied vehicle return service. So under the agreement there is a clear obligation on the company to provide a regular service. If, however, anything else happened that was causing a problem, then of course the Steam Packet Company would have to justify what happened on that and clearly I am sure, on behalf of the people of the Isle of Man, if we had a major problem we would all be concerned about that and would take that up with the company at the time, but I am absolutely sure that we all understand realistically they are not going to have a boat just sitting waiting in case it is required. Unfortunately they are not in that luxurious position, because of the freight and passenger throughput to and from the Isle of Man.

**Mr Downie:** Given that the tourist department are endeavouring to promote inclusive coach tours onto the Island is the minister satisfied that this one vessel will be able to accommodate the traffic, bearing in mind she only has the capacity to take about 490 passengers, and if in the event the vessel is full and we are actually turning people away who want to come to the Isle of Man, because of this problem, has your department any sort of plans at this stage to put pressure on the Steam Packet to provide an additional vessel?

**Mr Brown:** Mr President, I think we have to understand the relationship of my department with the Steam Packet Company through the user agreement. We can only ask them to comply with the agreement.

As to whether or not the Department of Tourism and Leisure is successful in generating more business which then may require extra vessels, that is a matter between those two parties. What I can say to the hon. member is that my department would do all it could to support them in their endeavours to make the Steam Packet Company providing services to the Isle of Man more successful and also in supporting tourism in its endeavours to make the Isle of Man more successful for people to visit.

**Mr Downie:** Is the minister aware that with three passenger vessels in operation at the moment the Steam Packet Company are actually turning bookings away because they are saying at certain sailings they have not got the capacity, and can the minister really ask this Court to accept that when the *Lady of Mann* and the *King Orry* are withdrawn from service and sold on there will be enough capacity within this RoPax vessel, 490-odd passengers, to satisfactorily deal with the amount of traffic required for the Isle of Man, not just for tourists, for

all the commodities, the freight, building materials and the day-to-day general running of a shipping operation? Can he give us an assurance that he is happy with this situation?

**Mr Brown:** Mr President, again I make it clear. The hon. member is confusing between the user agreement requirements which I am advised the Steam Packet Company are complying with. There is then the other issue which is the potential for the Isle of Man to get more business and more business via the sea routes. That is a commercial consideration by that company. If that company does not meet that requirement, then I am sure many people will turn to another form of transport to the Isle of Man, that is, flying to the Isle of Man. That is a matter for the Department of Tourism and Leisure as the main leader to encourage either the Steam Packet and/or the airlines to meet the demand that they are able to generate and I am sure, knowing the company under its present managing director, if there is an opportunity there he is only too keen to try and meet that opportunity, but there are some genuine practical problems, as I understand it, when you are dealing with shipping, trying to find other ships at short notice for short periods of time and those problems may well result from manning levels and of course the availability of getting ships up to the Isle of Man waters to provide that service.

However, I am sure we have all seen the increases that have been achieved this year by the sea services to the Isle of Man. The November ones, as we understand it, have been the highest that we have ever achieved by sea and therefore I do not think there is a lack of will by the parties to encourage more people to travel to the Isle of Man by sea but there may well be some practical difficulties in the way.

But again, as far as the user agreement is concerned my department is satisfied that the Isle of Man Steam Packet Company is meeting its requirements under that agreement.

#### **Students - Off-Site Referral Facility - Question By Mr Shimmin**

**The President:** Question 13, the hon. member for Douglas West, Mr Shimmin.

**Mr Shimmin:** Thank you, Mr President. I beg leave to ask the Minister for Education:

- (1) *Has your department any plans to open an off-site referral facility for students with extreme emotional or behavioural problems; and*
- (2) *if so, who will be responsible for running such a facility?*

**The President:** The Minister for Education to reply.

**Dr Mann:** I thank the hon. member for his question. The department does have a plan to create an off-site referral facility for students with extreme emotional or behavioural problems, both for secondary and for primary pupils. We are currently in a consultation process which as recently as yesterday involved us in consultation with all of the teachers in the secondary schools dealing with this particular type of pupil. We will then submit our plans to the Treasury and for personnel control.

The second part of the question. We aim to establish a team of experienced and trained staff within the special educational needs area of the department responsible to the Special Services Committee of the Board of Education and directly responsible to the department. This facility will not be set up or run exactly as a PRU in England and Wales.

**Mr Shimmin:** Mr President, I am greatly encouraged by the comments from the minister regarding the establishment of such a referral unit or whatever title is used and also very encouraged by the reference to the primary sector. Will the minister confirm that he will continue dialogue with the Department of Health and Social Services and the Department of Home Affairs, as many of these young people have an overlap responsibility with concerns of their behaviour not just in the education system but on a wider scale?

**Dr Mann:** I think what resulted from yesterday's consultation was the fact that we must have a multidisciplinary team involving both ourselves, the Department of Health and Social Security and, as you say, with the Department of Home Affairs and it is our aim to provide that.

**Isle Of Man College And Secondary Schools - Local Financial Management - Question  
By Mr Shimmin**

**The President:** Question 14, the hon. member for Douglas West, Mr Shimmin.

**Mr Shimmin:** Thank you, Mr President. I beg leave to ask the Minister for Education:

- (1) *What plans does your department have to introduce local financial management at the Isle of Man College and the five secondary schools; and*
- (2) *what are the reasons for these plans?*

**The President:** The Minister for Education to reply.

**Dr Mann:** The department has considered the issues of local financial management in the five secondary schools and the college at considerable length.

In November 1997 the department decided to adopt a system of delegated financial management using the existing structures of the department, the board and the Isle of Man Government financial regulations. Delegated financial management is the planned phased delegation of the control responsibilities and accountability of major sections of the secondary schools and the college budget to the head teacher or principal using existing procedures and accountability systems fully in line with Isle of Man Government financial regulations. Each school will be delegated the funding to which it is reasonably entitled as its share of the schools budget without detriment to other areas of service or the ability of the department to perform its duties and responsibilities effectively.

It is unique in its format to fit the needs of the Island's educational system, the role and responsibility of the Department of Education and the role and responsibility of the board members and the Island's financial regulations.

This delegated financial responsibility will start in the secondary schools in a gradual, controlled, structured and phased manner from 1st April 1998 running through to April 2002. There will be three phases, each spread over three years.

The largest amount of moneys to be delegated will be in phase 1. This will amount to nearly £13 million each year and account for some 85 per cent of the secondary and further education budget.

Phases 2 and 3 will involve relatively smaller amounts but will need very careful planning since they cover areas which would be less definable and carefully deliberated decisions about in which phase they will be included or will need to be taken. The whole process, as I said, will be completed by April 2002.

The reasons for introducing this system, which is part (2) - in 1988 a new, smaller Board of Education which was reduced from 24 members to 15 gradually and significantly set up for the first time separate secondary school governing bodies. These governing bodies have developed very successfully in their working relations with head teachers, parent and teacher governors to give robust accountable governing bodies. However, since the means of funding each school has remained controlled centrally each school has felt a degree of frustration in not being able to move forward with its goals, processes and development plan. Each school has had its staffing, caretaking, maintenance, repairs, meals and special education support units paid for and controlled centrally by the department. The department therefore sees the delegated financial management as a natural and inevitable development in the system of government of secondary schools and the college.

**Mr Shimmin:** Once again I thank the minister for his responses. Could the minister explain to this Court whether consultation has taken place with those head teachers involved in this major change in the organisation of the schools, their responses to such an initiative and whether adequate training has been given or will be given prior to the commencement of the first phase?

**Dr Mann:** Well, I personally have addressed all of the head teachers and the principal. Certainly my officers have been in continuous consultation with them since and will continue to do so as the process continues.

It is true that by introducing it in April of this year the speed of transfer has had to be fairly rapid. It otherwise meant leaving it a full further year and I think under the circumstances and the careful phasing that is being introduced this can be achieved in the timetable we have set.

Secondly, it is absolutely essential that a course of financial management is set up for each of the head teachers and some of their delegated staff. This will be done in time to allow this operation to proceed as planned.

**Mr Lowey:** Could I ask the hon. minister a supplementary, Mr President? What consultation has taken place with the workers on the maintenance staff of the schools? Is it true that all maintenance now is going to be subcontracted out to the private sector and what will happen to the full-time maintenance staff employed by your department? Have they had a good record of servicing the schools and why change a winning format? And can the minister explain to me is it in effect we are going to make head teachers and the principal of our college managers of their schools and how does this square with the emphasis the department has been putting on what I would call academic results? The success of the schools and our education system is by the number of A-levels, O-levels, CNVQs et cetera et cetera and now we are putting a different formula. I wonder why. Is it just because it has happened in the UK?

**Mr Cannan:** Well, that is Labour policy.

**Dr Mann:** First of all we are not adopting the same system as the UK. I did reduce the length of my original answer because it could have been almost twice the length to deal with some of the problems that you have mentioned. It is not the same system as in the United Kingdom, in fact it will be quite unique. It is unlike any system, including that of the Channel Islands, but I think it is a system that is closely related to the way in which education is delivered here and with the minimum amount of disturbance.

Secondly, the head teachers really have always been managers, if that is a word you wish to use. Their responsibilities will be to some extent increased, but that is actually what both the governing bodies and the head teachers, I think with possibly one exception, have been asking for.

As far as the works department is concerned, we have no intention of demolishing the works department at this particular time. In fact the works department is the last part of the three phases, but there is going to be a move to allow minor repairs and maintenance to be the direct responsibility of the school. They will have the opportunity within the financial regulations to seek local contractors to deal with minor repairs if they wish or if they are able so to do. If they do not wish they can seek the works department's support and within the financial structure the school will be charged by the department's works section for the work that has been done.

**Mr Karran:** Eaghtyrane, could the minister give an assurance then in this Court that there will be no redundancies as far as the maintenance staff are concerned. Could he also give an account of what the present policy is as far as maintenance on school buildings is concerned and the fact that it has taken us years to claw the schools back into a good state because maintenance was the first thing that was cut when there was a recession on in this Island? And could he also assure this hon. Court that he will make sure that the likes of the basic maintenance jobs are going to be done and we are not going to have a situation where we are going to end up with nice fancy painted walls on the inside of the school when the roof is left to rot, and how can he assure this hon. Court that this is not a recipe for disaster where there will be massive capital programmes at a later date to then claw back the situation once again that his previous membership of the Department of Education had to face when we were in the Department of Education?

**Dr Mann:** First of all the proposed system will be based on landlord/tenant, that is, the landlord will remain the Department of Education and the landlord will be responsible for the structure, the essential structure of the building. The devolved or delegated responsibility will only be the maintenance of those structures on a day-to-day basis. The works department is very necessary to maintain the structures, which will be the responsibility of the department.

I very much appreciate what you have said, that is that a few years ago when money was very tight, naturally and not only in education but in all departments, maintenance was reduced. The Treasury, over a few years now, have granted to the department a some of money to ensure that maintenance is increased and brought back to levels that were previously considered acceptable. At this particular moment we are are not back to an acceptable level. There are areas of some schools that certainly do require more attention. They will be getting that attention certainly at an enhanced rate in the coming year.

So there is no prospect of the department's works department suddenly disappearing. It is still the responsibility of the Department of Education to maintain those buildings, and that will be done.

**Mr Waft:** Mr President, would the minister, in view of his comments today, like to give his reassurance that the integration into mainstream education for those with learning difficulties will continue and included in the development plans for the schools on the Island there will be provision, enhanced provision, for those with learning difficulties? I am a bit concerned with

the off-site facility for emotional and behavioural problems, which is an entirely different thing. Thank you, Mr President.

**Dr Mann:** I can assure you that the special needs section of this department absorbs an enormous amount of my time and the time of departmental members. It is an absolutely essential part of the Department of Education. I am ensuring at this moment that any expenditure on special needs provision is ring-fenced during this shift to local financial management. The special needs provision will remain at this moment within the Department of Education and we will ensure that it continues to be provided and extended.

**Mr Rodan:** Mr President, can the minister say whether under these new arrangements any parent governor elected by the parents, who happens to be a teacher, is going to be able to continue to be a parent governor or will he or she be ineligible to continue in that position?

**Dr Mann:** There is no question of ineligibility of a parent governor who happens to be a teacher. The only restriction is that that parent governor, if a teacher, should not be directly involved in the appointment of other teachers above a certain level. I know this is a matter that has caused some difficulty with the teaching associations, but I think, in looking at the overall responsibility of a board of governors, it is correct that a teacher governor should not be in a position to influence the further choice of teachers within that school over a certain level of appointment.

#### **UK Crime And Disorder Bill - Question By Mrs Cannell**

**The President:** Question 15, the hon. member for Douglas East, Mrs Cannell.

**Mrs Cannell:** Mr President, I beg leave to ask the Minister for Home Affairs:

*Does your department intend to promote legislation replicating the provisions of the UK Crime and Disorder Bill?*

**The President:** The Minister for Home Affairs to reply.

**Mr Bell:** Mr President, an officer level working party consisting of representatives of my department and representatives of other relevant departments has been established to consider this Bill and advise my department on whether similar legislation is needed in the Isle of Man. The department will then decide on the extent to which, if any, the UK Bill should be replicated within the Island.

**Mrs Cannell:** Thank you, Mr President, a supplementary. I am very pleased with the response from the hon. minister today in that he has set up a working party, but would he agree that there are three very important provisions within this UK legislation, one of extending supervision for paedophiles and rapists and other violent offenders after they are freed from gaol, orders banning sex offenders from vulnerable areas, and tougher supervision orders for offenders? Would he not agree that those three, in particular, provisions contained within the UK Bill would be very appropriate for the Isle of Man, given that we do not have anything in place at the moment?

**Mr Houghton:** Hear, hear.

**Mr Bell:** Mr President, they may well be appropriate, but we need time to consider what the implications of the proposed legislation in the UK will be. This is a very extensive Bill, the

Crime and Disorder Bill. There are 96 clauses and nine schedules of it, so it covers a very wide range of law and order issues.

The Bill itself has started its passage through the UK Parliament in the House of Lords, which is unusual. It only got its first reading I think, in the House of Lords in December, it has yet to come to the House of Commons and it may well change its format before it actually comes on the statute book at the end of the day. So we are waiting to see what the final shape of the Bill is likely to be or what the Act will be, how relevant the contents of that Act are to the Isle of Man, whether in fact it already perhaps overlaps some of our existing legislation and at that stage we will decide what is appropriate for the Isle of Man.

But certainly the issues raised by the hon. member are issues which we are already considering and I think quite likely will in some form be included in an Isle of Man Bill.

**Mrs Cannell:** Thank you, Mr President, a further supplementary, please, if I may. With regard to the working party, when does the minister envisage that the working party will report to the department and following that, when does he think his department will be in a position to report to hon. members?

**Mr Bell:** I cannot give any answer on that question, Mr President.

#### **Financial Action Task Force On Money Laundering - Question By Mr Rodan**

**The President:** Question 16, the hon. member for Garff.

**Mr Rodan:** Mr President, I beg leave to ask the Chief Minister:

- (1) *What consultation has your government had with the Financial Action Task Force on Money Laundering (FATF); and*
- (2) *has the Isle of Man been required to comply with the financial action task force's recommended measures to combat money laundering, including the introduction of appropriate legislation?*

**The President:** The Chief Minister to reply.

**Mr Gelling:** Mr President, the financial action task force was set up in 1989 by the Group of 7 major countries to lead the international battle against money laundering by organised crime groups involved in drug trafficking, and it is just that: a task force consisting of experts from its member countries. It has no international legal status and there is no treaty or convention to underpin it.

Since 1989 the FATF, or GAFI as it is sometimes known from its French initials, has extended its membership to encompass virtually all the major countries of the world, including one or two of the major finance centres such as Hong Kong and Singapore. It has produced and subsequently revised a code of conduct known as 'the 40 recommendations' to which it invites its members to adhere. It has also broadened its remit from drug trafficking to embrace all serious crime.

The Isle of Man, and for that matter the Channel Islands, has no formal or direct relationship with the FATF. As a member of the Offshore Group of Banking Supervisors, which was established by the Basle Committee on Banking Supervision, it is represented on the FATF meetings by the chairman of the group, who has observer status. Now, this enables us to keep in touch with what is going on and to make our views known on matters of importance.

In addition the chief executive of our Financial Supervision Commission has on one recent occasion attended one of the biannual meetings of the FATF.

Now, the Island has not been required to comply with the FATF's recommendations. The measures we are proposing in the anti-money laundering legislation, which we will shortly bring before the branches, reflects the FATF recommendations but do not reflect any requirement on our part to comply with any direction from the FATF.

We have a long and distinguished history in the Isle of Man of tackling money laundering. As long ago as October 1985 the Financial Supervision Commission issued its first guidance to the Island's banks on the risk of being abused by money launderers. This was followed in August of 1986 by the first version of the FSC's 'know your customer' policy. Now, as hon. members will realise, this predated the establishment of the FATF which of course was 1989.

After the FATF was established, the Isle of Man Government, through the Financial Supervision Commission, sought to demonstrate its support for the aims and objectives of the financial action task force by actually seeking associate membership. We voluntarily submitted in 1994 to an inspection and assessment of our anti-money laundering policy and practice by representatives of the financial action task force members, including the United Kingdom.

As a result of our initiative and with the active support of the United States, which is the most important country in the financial action task force, the financial action task force formulated a procedure by which non-members could become FATF accredited, if I can describe it in that way, and we expect to obtain this status once our Criminal Justice Money Laundering Bill has become law.

So, far from being pressed, we have been pressing ourselves so that we can have our contributions and approach to the battle against money laundering properly recognised.

Therefore there are two reasons for pursuing this policy: first because it is the right thing to do. The residents of the Isle of Man want a clean, respectable and profitable finance centre, a finance centre they can be proud of, and secondly, because failure to do so offers the opportunity for and may provoke discrimination against our Island's finance sector. We want to be able to compete on a level playing-field and we want security for jobs, careers and government revenues.

**Mr Rodan:** Mr President, is it not the case that because we have monetary union with the UK and are a Crown dependency, we are a member, if not formally, then at least by proxy of the FATF and is it not the case that all FATF members who have dependencies are obliged to ensure compliance with the recommendations, including introduction of legislation?

**Mr Gelling:** Mr President, no, that is not the case. We as an Island and an offshore jurisdiction wish to be able to hold ourselves high in this regard and offer ourselves as an offshore jurisdiction of top quality, top drawer and it is we that, as I have said, are pressing ourselves to be in line with those 40 recommendations because that is what will be expected of jurisdictions like ourselves in the future.

**Mr Rodan:** Mr President, can I ask how is it then that the other Crown dependencies and British dependent territories are all seeing fit to introduce the same or similar legislation at about the same time?

**Mr Gelling:** I would assume, Mr President, that they must all be of the same mind as ourselves, that if they are going to continue as an offshore jurisdiction they also want to be on a level-playing field.

### **Radio Manx Limited - Question By Mr Rodan**

**The President:** Question 17, the hon. member for Garff, Mr Rodan.

**Mr Rodan:** Thank you, Mr President. I beg leave to ask the Chief Minister:

- (1) For each of the last three years, what was the level of taxpayers' support of Radio Manx Limited through annual government subvention;*
- (2) are you satisfied that the stated objectives of Manx Radio Trust are being met in respect of Radio Manx Limited's public service broadcasting responsibilities; and*
- (3) are you aware of present management policies at the radio station which have led to recent staff changes in the news journalism service?*

**The President:** The minister to reply.

**Mr Gelling:** Mr President, the answer to the first part of the question: in 1995-96 the sum was £206,500, in 1996-97 it was £212,179, and the 1997-98, which of course is an estimated figure, is £216,422.

If then I move on to the second part of the question, Manx Radio Trust was established in 1995 as one of the adopted recommendations of the Committee of Inquiry into the Options for the Future of Manx Radio. The trust is appointed by the Treasury and the public service element of the station's output is protected by a promise of performance, the licence to broadcast, and the trust deed.

The objects of the trust deed are (a) to ensure that Radio Manx Limited provides broadcasting services of a reasonable standard and such as will meet, in the opinion of the trustees, the general requirements of the Manx listening public; and (b) to provide guidance to the board of directors of the company on broadcasting and other policy matters with regard to the carrying on by the company of its business as a public broadcaster; and (c) to ensure that the company complies with any codes of practice issued by the Communications Commission.

I have to say that as Chief Minister I have no involvement with the Manx Radio Trust or the trustees. The trustees report to the Treasury on an annual basis and I am, however, advised by the Treasury that it is satisfied that the stated objects of the trust are being met in respect of Radio Manx Limited's public service broadcasting responsibilities. I would add that ensuring the broadcasting services of a reasonable standard are provided is not the sole responsibility of the trustees. The licence issued to Radio Manx Limited also details certain requirements relating to the character of the service.

As I recall, the main purpose of establishing the Manx Radio Trust was to separate Manx Radio as far as possible from government, so as to limit political involvement and the possibility of political interference. I have not, therefore, concerned myself with the present management policies and any concerns in this area I would see as being properly an issue to be resolved between the directors of Manx Radio and Manx Radio Trust. I am, however, aware of the recent announcement by Manx Radio of a review of its programme services and that may result in some changes in due course. Thank you, Mr President.

**Mr Rodan:** Mr President, given the fact that it is the trustees who are appointed to represent the public interest and are there to provide policy guidance to the board of directors, can I ask the Chief Minister would he recommend that if members of the public have concerns about the way their radio station is being run and popular and respected journalist and employees are being treated they get in touch with those trustees to make their concerns known?

**Mr Gelling:** Yes, I would suggest, Mr President, that the trustees in fact were selected, invited and put on that particular trust for the very reason that the hon. member is perhaps suggesting. It is to bring to that trust and therefore to the directors of Manx Radio the thoughts of the listening public of this Island and those representatives come from all walks of life and all round the Isle of Man and I would suggest that they are the people who would take this on board.

**Mr Delaney:** Would the Chief Minister tell me and the Court whether he finds it innocuous that one government is in a position to issue another government, this government, a licence for its own radio station? And secondly, earlier today we heard of the licence fees being paid by the Manx people. Would the Chief Minister confirm that in Britain when that money is returned a large portion of that is put to their own radio stations, granted to them, and we in the Isle of Man receive nothing from the money we collect for another administration.

**Mr Gelling:** Yes, Mr President, as I said to an earlier question, that is a fact. Of course our radio station in the Isle of Man is a commercial radio station and they receive no funds from the BBC.

**Mr Delaney:** It was funded by the taxpayers of the Isle of Man.

**Mr Downie:** Is the minister not concerned that at present it would appear that Manx Radio is being run by a part-time UK-based management consultant? There appear to be on the horizon many changes in the programme arrangements, major changes, I understand, in the formulation of Radio TT, and would the Chief Minister further agree that it should be a local station with a commitment to employ and train local people to deal with day-to-day topics in the Isle of Man and be our listening station as they were some years ago and sadly they have moved away from?

**Mr Gelling:** As I have said, Mr President, I am not personally aware of the internal management arrangements. However, the hon. member asks am I concerned. Yes, I am concerned that the station remains as again was a recommendation within that report that I mentioned earlier, that it is in fact a local radio station and that it should stay a local radio station broadcasting local information and events and therefore I would suggest that where possible it would be also acceptable and preferable to actually employ local people, but as to suggest that I could state in this Court that there are people that can actually do the job that they have asked, that is something that I am not competent to answer.

**Mr Karran:** Eaghtyrane, would the Chief Minister not agree that it is all right people in this Court complaining about the system of the Manx Radio as far as its power and everything else but until we address the issue of the UK legislation that is inflicted on this Island of the Wireless Telegraphy Act we will be impotent to have full control over our national radio station, as we are as far as television licences are concerned, and could he possibly inform this hon.

Court has his government any intentions of bringing in our own piece of legislation that would cover the Wireless Telegraphy Act?

**Mr Gelling:** Mr President, I explained before that the whole idea of the trust was to remove political interference with the station. That was the will of this Court at that time and that is why it was set up.

The other issue that the hon. member raised which has already been raised two or three times this morning, all I can say is that at this time it does not appear in the list of legislation in the policy document.

**Mr Delaney:** Chief Minister, have any of your staff done a simple sum on the amount of money collected from TV licences and that proportion given out to local radio stations in Britain? If the same was done from the Isle of Man licence fees the £200,000 subvention required by the Manx taxpayer would be paid for by withdrawing that amount of money from our licence fees before we send it back to Britain.

**The President:** Do you wish to respond, sir?

**Mr Gelling:** The sums are right, Mr President, but in fact it does not happen and that is the reality.

**Mr Delaney:** Let's do it.

#### **Isle Of Man Steam Packet Company - Sea-Going Employees - Question By Mr Downie**

**The President:** Question 18, the hon. member for Douglas West, Mr Downie.

**Mr Downie:** Thank you, Mr President. I beg leave to ask the Chief Minister:

- (1) Are you aware that the Isle of Man Steam Packet Company intend to reduce significantly the number of sea-going employees;*
- (2) if so, can you advise this hon. Court what percentage reduction of their sea-going employees is contemplated by the Isle of Man Steam Packet Company; and*
- (3) are you satisfied that the proposed reduction in their sea-going and other employees will allow the Isle of Man Steam Packet Company to provide a regular and satisfactory service as required by the user agreement?*

**The President:** The Chief Minister to reply.

**Mr Gelling:** Yes, Mr President, I am advised that the Steam Packet Company are proposing to make reductions later in the year in the number of sea-going staff. This is a consequence of the company's fleet modernisation programme which will result in the single new RoPax vessel replacing two vessels. The exact number of staff reductions is still the subject of negotiation and has not been finally determined.

Changes in staffing levels at the Steam Packet do not alter or amend the user agreement in any way or the company's obligations under the user agreement and therefore I have every confidence that the company will continue to honour those obligations.

**Mr Downie:** I would like to ask the Chief Minister have the company given any indications, if significant redundancies do take place in the Isle of Man Steam Packet, whether

any reduction in locally based staff will merely be replaced by employees working elsewhere within the Sea Containers' operation and is he convinced that this reduction in staff is not contrary to the spirit of the user agreement which indicated we should be employing and supporting Manx people?

**Mr Gelling:** Mr President, again I can only say that the information I have available to me is they will be making reductions for the simple reason that if you have got one ship instead of two, there will be reductions, but what negotiations are going on I am not a party to. All I would say is that obviously it would be preferable that those remaining Isle of Man Steam Packet sea-going staff are from the Isle of Man and obviously I would support that.

### **Consultant Ophthalmologist - GP Referrals - Question By Mrs Cannell**

**The President:** Question 19, the hon. member for Douglas East, Mrs Cannell.

**Mrs Cannell:** Mr President, I beg leave to ask the Minister for Health and Social Security:

*What is the current average period between a patient being referred by a general practitioner to a consultant ophthalmologist and being examined by such a consultant?*

**The President:** The Minister for Health and Social Security to reply.

**Mrs Christian:** Mr President, waiting-list information for specialist services at Noble's Hospital is recorded on a snapshot basis on the last day of each month. The most recent figures, recorded on the 31st December, indicate that for non-urgent referrals a patient could be expected to wait at most eight months to be examined by a consultant ophthalmologist following referral by a general practitioner. I would say, however, that there is no waiting list for urgent referrals. Such patients would normally be seen at the next available clinic.

The current recording systems are numerical and do not enable the department to measure out-patient actual waiting time on an individual basis, but the department sees this as a useful management tool for itself and is taking steps to address that particular issue.

**Mrs Cannell:** Mr President, I thank the hon. minister for her frank reply but am I understanding correctly in that there is no provision for being able to record the amount of people that are coming in who are being referred by a GP who are waiting for their first referral? Or am I understanding that once having been referred, there is no way for the department to be able to monitor how long that particular list is, from first referral to second referral?

**Mrs Christian:** No, Mr President, that is not what I was intending to convey. We do have the numbers of people who are waiting. What we do not know is whether or not they are dealt with in chronological order and therefore how long any particular patient may have waited from referral from the GP to being seen.

The current position is that we had at December 215 people waiting on the out-patient waiting list. This is a reduction from the corresponding time 12 months ago. However, the spread of wait is different, in that this year we have 95 people who have been waiting for two months at that date; 67 people who have been waiting between three and five months; and 53 people who have been waiting between six and eight months.

The actual throughput of patients has increased over the years so that the referrals - the numbers of people going through the system - are increasing. For example, the difference

between 1991 and the current 1996-97 statistics shows that the ophthalmology service is dealing with an increase of 54 per cent, 154 per cent of the 1991 figures now being seen in a year. So the throughput is faster, or the number of people being seen is greater. However, the time waited varies depending on whether or not there are a number of review appointments to be dealt with or whether new first appointments are being made.

Currently there has been a slight slowdown in new referrals to the ophthalmological service because people waiting for reviews of their conditions, having had one appointment, were waiting too long and the consultants themselves have to decide whether they will prioritise a second visit, a review visit, or see a new patient.

The department does want to have a better statistical understanding of an individual patient's actual wait and we are taking steps to review that, but we do have, of course, the overall numbers available.

**Mrs Cannell:** Mr President, again I thank the hon. minister for being frank with members here today. But regarding the figures that she has given us with regard to the waiting-lists to the length of time from two months, three to five, six to eight months, is the minister aware that on average, and this is the guidance or information that is being conveyed from general practitioners to their patients, they can expect to wait anything from eight to 10 months for their first appointment with the eye specialist and thereafter can wait anything up to three and a half years before a second appointment, and this is the information which is being given out?

Now, surely the hon. minister must agree with me, and I would think other members here, that if you get a situation where somebody's eyesight is failing rather fast over a period of three or four weeks, that is to say that perhaps cataracts are just beginning to form, she must agree that with today's medicine an eye specialist would prefer to remove that cataract in the early stages before it has become fully ripe, thereby being able to secure a better success outcome for that particular patient, rather than having these people wait for months and sometimes years until the cataracts are fully formed and fully ripe before even operating or considered for an operation? Surely the hon. minister must consider that this is unacceptable and if she agrees with that, could she or would she indicate whether or not she is prepared to get this list down either by making referrals to the United Kingdom to St Paul's Eye Hospital or somewhere else of equal excellence in order to get this list down, because it is very urgent? There are a great number of people who are suffering a great deal because of this slow-down and this apparent slackness within the system. Will the hon. minister please look at it and regard it as an urgent priority?

**Mrs Christian:** Mr President, in the first instance we are constantly looking at the waiting-lists and the way in which we can best provide a service because it is not the department's wish or even the service providers' wish that we have people waiting for excessive times.

In so far as information from the GPs is concerned, I do not know where the GPs are formulating their statistics and I will certainly go away to ensure that we are getting the information properly from the GPs or at least the GPs have a proper understanding of the waiting-lists. In my experience we have had in the past some misunderstanding on the part of the GPs as to what a current waiting-list is. Unfortunately some of them tend to refer to historical information. At any one time there may have been a longer waiting-list. Quite often

they do not recognise that we have had initiatives and that waiting-lists are then shorter. So I accept that we may need to do some work on making sure that GPs are au fait with the current position.

With regard to cataracts, we did, last year, have an initiative on cataract operations. This year our initiatives for waiting-lists, our budget for that is almost entirely committed now and therefore we do not at this point have any resources for such an initiative in this financial year.

My understanding, and I am not a clinician, is that in respect of cataracts patients are quite often sent away because a cataract is not ripe enough and it is a requirement that it be ripe before the operation is carried out. You are shaking your heads. I am not a clinician, but that is my information.

In any case if a GP feels that the situation with regard to their patient is urgent, then they should refer back to the consultant. That happens and then the consultants decide on the priorities in terms of their list. So that if there is an urgent case there should not be the problem that the hon. member alludes to. If she has an individual case that she would care to refer to me, I will gladly look into it.

**The President:** A further supplementary?

**Mrs Cannell:** Yes, please, Mr President. It will be my final supplementary to the hon. minister.

**The President:** Certainly.

**Mrs Cannell:** Thank you, Mr President. Given the whole sorry scenario, is the hon. minister also aware that a person with such suffering and such apparent alleged neglect under the NHS system can, if he so wishes and is affluent enough, have this operation within two weeks if he pays? And how does the minister concur with that when it is the same eye specialist who will be doing the surgery on both sets of patients?

**Mrs Christian:** Mr President, whilst I regret any waiting-lists at all, as we all would, we have got to be realistic about what we can provide. The more the health service provides the more the demand is for that service. The service is putting through the system far more people every year than it has done before, so people are being treated. So I cannot accept entirely the words 'sorry scenario'. The service is doing well and doing its best to see a lot of patients and I think, given that there was a single-handed consultant there for a very long time who now has the back-up of an associate specialist, that they have offered a good service.

We have been through this business of private treatment before in this Court, not so very long ago. I have tried to explain to the hon. members that we offer the same contracts to consultants coming to the Isle of Man as they would expect to be offered under the NHS in the United Kingdom. They may opt in their contract with us to do a certain number of sessions and to retain free time to do private work. If we are not prepared to allow consultants to do that we will not get consultants coming to the Isle of Man to be employed.

The fact that a consultant is able to offer to do private work within a couple of weeks is indicative of the fact that not many people are taking up private treatment and that they can get quickly onto the time that the consultant has available to provide that private service.

I would not be prepared to make any changes to the contracts which would eliminate the possibility of consultants doing private work because that would, in my view, be detrimental to the overall provision of NHS services in the Isle of Man.

I think that has answered the hon. member's question.

**Mr Singer:** Now that, as you say, there is an associate ophthalmologist, can you explain why people have to wait that much longer, up to eight months, whereas the December 1996 figures showed that there were 162 people waiting for referral for nought to two months and 75 for three to five months but none waiting more than five months. That is 237, whilst now we have 215 and with the extra ophthalmologist they are waiting up to eight months.

**Mrs Christian:** Mr President, it has to be recognised that in having an extra ophthalmologist we do not exactly have two extra bodies in the sense that his post was partly to reduce the on-call commitment of the single-handed consultant. The associate specialist has been in post in the first instance as a locum to assist with that on-call commitment. He had been in post a year and that post has now become a consolidated post.

The effect of making that provision for the associate specialist, it was hoped, would have an impact on waiting-lists. The associate specialist, when appointed, replaced a former clinical assistant and utilised the three clinic sessions previously undertaken by that clinical assistant. The associate specialist works in tandem with the consultant on two further clinics a week. However, due to the limited facilities at Noble's Hospital, it has not been possible to date to provide additional dedicated clinic space. We are looking at the possibility and discussing with the service the possibility of increasing clinics outwith Noble's Hospital.

So whilst the hon. member has referred to the fact that there was nobody 12 months ago waiting between six and eight months, he has indicated that 164 people were waiting for two months. I have to emphasise that this is a snapshot at any moment in time. The fact of the matter is that at December last year there were more people waiting than there are waiting now on the out-patient list.

### **Peel Road Crossing - Installation - Question By Mr Downie**

**The President:** Question 20, the hon. member for Douglas West, Mr Downie.

**Mr Downie:** Thank you, Mr President. I beg leave to ask the Minister for Transport:

*When is it your department's intention to install some form of pedestrian or similar appropriate crossing on Peel Road in the vicinity of Douglas fire station?*

**The President:** The Minister for Transport to reply.

**Mr Brown:** Mr President, my department is currently assessing the situation regarding pedestrians crossing Peel Road, Douglas between Ballakermeen Drive and the fire station. However, since the opening of the McDonald's restaurant in Peel Road just before Christmas we are now at times witnessing traffic congestion problems and on school days, especially between 12.50 p.m. and 1.30 p.m., large numbers of students from Ballakermeen High School crossing Peel Road between Ballakermeen Drive and the fire station.

On 10th January 1998 I received a letter from the head teacher of Ballakermeen High School which was copied to the hon. member and his constituency colleague Mr Shimmin, expressing concern over the situation. I have discussed the problem now being experienced

on Peel Road with my colleague who has responsibility for highways and traffic matters within my department, that is, Mr Singer MHK, and officers of my department.

As I have stated previously, we are now witnessing many problems on this major link road since the opening of the McDonald's restaurant, especially with regards to the students from Ballakermeen High School who are crossing Peel Road at numerous points between Ballakermeen Drive and the fire station, although some students, I can confirm, are crossing at the pelican crossing by the Isle of Man Newspapers.

Due to my concerns over this matter I have written to the head teacher, requesting an urgent meeting with him and the chairman of the school governors, as I believe that only joint action between both parties will effectively secure the safety of the students. It is essential that any actions that my department takes, such as installing dedicated crossing points on Peel Road, are supported by the school and that the school takes appropriate action to ensure that those who are permitted to leave the school premises during lunch-times utilise any dedicated crossing points provided by my department. Unless we receive the full co-operation of the school and its students any actions we take could be ineffective.

I can assure the hon. member that this matter is now being given my personal attention, along with my colleague, the member for Ramsey, with a view to reducing any dangers to both pedestrians and traffic utilising Peel Road. I therefore hope to be in a position to ensure that safe crossing points can be provided at certain points along Peel Road.

**Mr Downie:** Thank you, Mr President.

**The President:** A supplementary, sir?

**Mr Downie:** Yes. Is the minister aware that two years ago I received confirmation that a crossing was to be placed in that location as a priority by your department? And is the minister happy that planning consent was given for this takeaway establishment on the Peel Road without the benefit of any advice from a properly qualified road safety officer and without his department putting any planning conditions on the approval which would have improved road safety matters in that area? And is he satisfied with his department's performance to date? Because I am not.

**Mr Brown:** Mr President, I am sure I take the point the hon. member is not satisfied with the actions of my department, but I am sure that that reflects across government when he has a problem, as maybe we all have that problem.

I would say, though, as far as I am concerned, my department's officers endeavoured to identify as best they could how they could deal with this planning application. What was not known was the real effect that the new McDonald's restaurant would have on the school and also on the general public. We have cars queuing up for considerable lengths, albeit now they are reducing slightly but they are still queuing up, causing problems by blocking one of the main lanes on that Peel Road.

My department also took into account that the school arrangements in the information that is given out by Ballakermeen High School to parents in their handbook states: 'Under lunch-time arrangements students are expected' - and I am quoting now - 'either to stay on the school site or go home for lunch.' It then goes on to say: 'If you wish your child to come home for lunch you will be asked to apply for a lunch pass. Application forms will be given to

students early in the autumn term. If your child has a lunch pass the midday meal must be eaten either at home or the home of a relative. We do not expect students to eat in the streets and the lanes around the school area. This is for the benefit of people who live nearby and to ensure the safety of your child at lunchtime. We welcome your support in this matter.' And I have to say my department also would welcome support in that matter, hence why I am asking for an urgent meeting with the chairman of the school governors and with the head teacher to ascertain why such large numbers of schoolchildren are coming down from that school, crossing a very, very busy traffic route at all sorts of points along that area and coming down through private land to achieve that as well as public land.

So I can assure the hon. member I am extremely concerned at the situation which I have sat and witnessed myself and quite honestly my department is also concerned about that. Hence why I have said whatever action my department takes can only be effective with the full co-operation of the head teacher, the governors, the parents and the children.

**Mr Shimmin:** Mr President, I am astonished that within the last two weeks I have been assured by officers of the minister's department that two crossing places would be put into place across the Peel Road, not in relation to McDonald's, but the ones that Mr Downie has been fighting for for years, as have many of our constituents. The budgetary provision is in for that and I was assured less than two weeks ago that that would be done before the end of January. We now find that the minister is surprised by the effect of McDonald's on the traffic. The school is not surprised. Minister, this was all anticipated and warned about. Could you please advise whether you are satisfied with the actions of your officers to date, the timescale of getting some crossings into that facility - not just for the McDonald's, but the prior requirement for other issues - and whether barriers will be erected to try and safeguard the people crossing those roads? Priority is the timescale for some form of pedestrian crossing across Peel Road.

**Mr Brown:** Mr President, I would make the point that I am satisfied that my officers have endeavoured to try and deal with a very difficult problem. One of the difficulties we have is because of the width of Peel Road. It is a major route. There are emergency services directly affected on that road and we are very concerned, as are the fire service, that anything we do does not restrict their ability to respond effectively. Therefore that has been taken into account. Also, as far as my department is concerned, we have been conscious of the provision of the NSC and there have been discussions to see whether or not everybody is conscious there may well be implications for people crossing regarding that.

I make the point that even the hon. member for West Douglas, Mr Downie, accepted, in response to my department, that he understood the difficulties of how it would be in traffic management terms to provide a crossing on this road. It is not an easy problem. We can put crossing points along the road but I would suggest to hon. members - and whilst we will endeavour to do as much as we can as a department - we are not in isolation, there are responsibilities elsewhere, and I will clearly endeavour with my colleague to meet our responsibilities. And I have to warn now it may well be the only effective way of actually controlling Peel Road would be proper erected barrier-type fencing, if I use that term, the full length between the Quarterbridge and the garage, and I have to say I do not think many people will welcome that.

The other problem is our experiment during the initial period of the McDonald's was that children were actually climbing over the temporary barriers we put there to try and beat their friends to get to the restaurant.

So whilst you may criticise my department - and I am fine, I do not mind criticism - we will do what we can. I look forward to the support of the members for West Douglas and I certainly look forward to the support from the school.

**Mr Shimmin:** Mr President, all of these negotiations that the minister refers to have all taken place with the fire service, all of the actions were taken, the difficulties of crossing that road. The arrangements were made to put two areas of crossing in before the end of this month. Will the minister say that he at least will put the first of those pedestrian crossings in as per the timetable and then refer back to the McDonald's issue after further consultation?

**Mr Brown:** Mr President, my understanding is there is no commitment to put any pedestrian crossing at Peel Road. The only commitment in consideration - and I understand it has not been finalised because of the development of the McDonald's - has been to put refuge islands so that people can cross and if they get partway across the road and the traffic is busy, at least they will have a refuge island, and people may well understand that means similar to Ballasalla where there is no actual crossing point but there are concrete kerbs, to use a term, islands which people can stand in between. Now, the department is considering that seriously. If we need, we will endeavour to make the budget provision available and we will do that.

We are talking of something in the region of £30,000 of expenditure, and one thing that is absolutely certain is that we do not wish to expend £30,000 of expenditure on a crossing point or a number of crossing points and find that the children then do not even use those. This is our problem and I can assure hon. members we will endeavour to get an agreement with the school that both parties will honour. I would certainly be extremely concerned if my department expended considerable sums of taxpayer's money in trying to make this area safe, which we wish to do, and then found that there was no direction or encouragement from parents and from the school to try and ensure people use those crossings.

#### **Airport Passenger Tax - Question By Mr Cannan**

**The President:** Question 21, the hon. member for Michael.

**Mr Cannan:** Mr President, I ask the Minister for Transport:

- (1) *What was the total amount of airport passenger tax collected between 1st April 1997 and 31st October 1997;*
- (2) *What is the total amount of airport passenger tax estimated to be collected between 1st November 1997 and 31st March 1998;*
- (3) *What was the total amount of airport landing charges collected between 1st April and 31st October 1997;*
- (4) *What is the total amount of airport landing charges estimated to be collected between 1st November 1997 and 31st March 1998; and*
- (5) *Will your department use the increased airport passenger tax for the period 1st November 1997 and 31st March 1998 to reduce the airport landing charges during the same period and so encourage the airlines to reduce fares?*

**The President:** The Minister for Transport to reply.

**Mr Brown:** Mr President, first I would wish to clarify that my department does not receive the income from the air passenger duty, which I suspect the hon. member refers to in his question. That duty is collected by the Treasury.

In answer to part (1) of the question, I am advised by the Treasury that the total amount of air passenger duty collected for the period between 1st April 1997 and 31st October 1997 was £497,000.

With reference to part (2) of the question, I am advised, again by Treasury, that the total amount of air passenger duty estimated to be collected between 1st November 1997, when it was first increased to £10 per passenger, until 31st March 1998 is in the region of £623,000.

In regard to part (3) of the question I can advise that my department will receive £1,066,494 from aircraft landing fees during the period from 1st April 1997 to 31st October 1997.

In answer to part (4) of the question, my department estimates that it will receive £712,500 from aircraft landing fees during the period from 1st November 1997 to 31st March 1998.

In answer to part (5) of the question, as I stated earlier, my department does not receive the income from the air passenger duty. This duty is paid to Treasury via the customs and excise division. However, I can advise the hon. member that in the last six years my department has only increased aircraft landing charges once and that was in 1996. Furthermore my department has agreed not to increase the aircraft landing charges again during the year 1998-99.

I think it is also worth remembering that my department, with a number of initiatives, does not charge landing fees on the following flights using Ronaldsway Airport: Manx Airlines Liverpool Farecracker flights; Emerald Airways Liverpool Manxman flights; Manx Airlines Manchester Farecracker flights; Manx Airlines Luton Saver flights; all Leeds-Bradford scheduled passenger flights; all Jersey European Bristol flights; Jersey European midday Belfast flights; and any scheduled passenger flights where the aircraft has a seating capacity of less than 20 passenger seats, and this currently applies to Comed Aviation to Blackpool and also the latter being exempt from the air passenger duty.

Members also will be interested to know, and as members will see, that the government through my department is presently investing substantially in an ongoing programme of investment to improve Ronaldsway Airport for the travelling public, and as hon. members will note, I will be seeking Tynwald's approval on a motion later on today's order paper for the next stage of our improvements at Ronaldsway Airport at a cost to the taxpayer of £539,750. Thank you.

### **Treasury - Bank Directorship - Question By Mr Cannan**

**The President:** Question 22, the hon. member for Michael.

**Mr Cannan:** Mr President, I ask the Chief Minister:

- (1) *Do you consider that there is a conflict of interest being a political member of the Treasury and a director of a bank; and*

(2) *would a civil servant in the Treasury be permitted to accept such a directorship?*

**The President:** The Chief Minister to reply.

**Mr Gelling:** Mr President, there was a recent announcement that a member of Treasury had accepted an appointment on the board of a local bank. I am advised that the member concerned has relinquished that appointment and my understanding is that there is no current instance of a Treasury member holding a directorship of a bank.

Looking at the wider issue, the subject of conflict of interest is in part a matter of statute law and in part a matter of perception. The statutory position is dealt with in Manx law by the Members of Tynwald (Disqualification) Act of 1930 and by a memorandum of 13th November 1965 by the then Attorney-General, Mr David Lay, which is reproduced in *The Tynwald Companion*. In statute, personal or pecuniary interest appears to be quite restrictively defined and the instances when a member is likely to be disqualified from voting on an issue are limited.

However, in terms of perception we probably need to think in rather broader terms. I would suggest there is a difference between the position of a minister in whom statutory powers are vested in practice and the position of a member who may enjoy greater freedom. Judgements outside the strict statutory position in terms of perception and credibility must be made by individual members themselves, exercising their own judgement in relation to their own circumstances and I am therefore reluctant to pass judgement on the decisions reached by other individual members.

There is of course a parliamentary dimension to the issue and there are some general principles which would perhaps benefit from scrutiny in a parliamentary context. Accordingly I will be writing to the Clerk of Tynwald to suggest that perhaps the Standing Committee on the Register of Members' Interests review existing arrangements to see if additional guidance for members would be helpful.

And the second part of the question regarding the position of civil servants, any civil servant wishing to undertake part-time work for payment outside normal official hours requires the approval of the Chief Secretary. Now, also the Civil Service regulations state that a full-time civil servant must not accept a position in any society or in any trading, commercial, industrial or financial firm or company in respect of which he is liable to be called away during normal official hours, or engage in any activity which would in any way tend to impair his usefulness as a public servant or which might in any way conflict with the interests of his board or department or be inconsistent with his position as a public servant.

Each case must be judged on its merits. However, I understand from the Chief Secretary that it is unlikely that he would be persuaded that an officer from the Treasury or any other department making an application would be permitted to accept a position as a director of a bank.

### **Rio And Kyoto Conventions - Obligations - Question By Mr Lowey**

**The President:** Question 23, the hon. member of the Council, Mr Lowey.

**Mr Lowey:** I beg leave to ask the Chief Minister:

- (1) *Does the Isle of Man have any obligations to meet environmental standards under the Rio Convention and the Kyoto Convention;*
- (2) *if so, which department is responsible for the implementation of these obligations; and*
- (3) *will we meet the obligations timeously?*

**The President:** The Chief Minister to reply.

**Mr Gelling:** Mr President, the UN Conference on Environment and Development, which is of course the Earth Summit, held in Rio de Janeiro in 1992 produced four obligations: (1) the Climate Change Convention; (2) the Biological Diversity Convention; (3) Agenda 21; and (4) the Principles for Management of Forests. The Isle of Man was included in the United Kingdom's ratification of the Climate Change Convention but the other parts were either not ratified for the Isle of Man or are not binding on the Isle of Man.

The Climate Change Convention establishes a framework for action to reduce the risks of global warming by limiting the emissions of greenhouse gases.

The Kyoto Conference took place recently in 1997. Information from the United Kingdom Government has not yet been received but when the papers are available the government will consider any action to be taken. At this stage there are no obligations for the Island arising from the Kyoto Convention.

Number (2) - the Climate Change Convention is the only part therefore of the Rio Convention under which the Isle of Man has obligations and the Department of Local Government and the Environment is the responsible department.

Part (3) - the Isle of Man is not specifically required to meet these reductions in greenhouse gas emissions separately from the United Kingdom. For the purposes of these reductions the Isle of Man is considered to be part of the United Kingdom inventory. The United Kingdom is confident of meeting its obligations and is in fact one of the world leaders in its commitment to greenhouse gas reductions. The Island, for its part, will be required to provide data to the United Kingdom which will form a part of the information provided by the United Kingdom as part of its obligations under the convention.

**Mr Lowey:** Could I ask the Chief Minister one supplementary and I will keep it to that, mindful of the time. Coming into Douglas today, Mr President, anyone that would see the pall of pollution over Douglas town would be quite reinforced on our own need to take steps to get rid of it, but do I take it from what the Chief Minister said that the Isle of Man is part of the UK and if the UK says it is going to reduce its emissions by 10 per cent by the year 2005 that means the Isle of Man will have to reduce its emissions by 10 per cent, and if so, have we a timetable to meet our commitments which we already know about or are we going to wait until the year 2001 and then say we cannot do it?

**Mr Gelling:** Mr President, that is the fact, that the Isle of Man is as a part of the United Kingdom for that particular convention, so we have our part to play, no two ways about that, but I think what we have to consider is that other things that we do can be taken as a whole in trying to reduce this particular emission and I would suggest that everything we do must consider that particular convention.

However, there are other areas that perhaps we also have to look at and consider. Later on on the agenda we have a situation where there is a suggestion there might be a cable for electricity supply. One could say 'Well, that's one good way of saving emissions on the Isle of Man', but the emissions will be somewhere else. So everything has to be considered. The type of fuel that we use in our housing that we build today all adds to these emissions.

So I think in answer to the hon. member, we cannot stand still but certainly we must progress in a way always being conscious that we have something here, a task in front of us to reduce the emissions.

**A Member:** Hear, hear.

**Mr Karran:** Eaghtyrane, would the Chief Minister not agree that the fact of the matter is that if we do not see some new initiatives in the very near future about air quality in Douglas and Onchan we are going to bring our whole national anthem into disrepute? And will he come up with some firm initiatives within the next six months as far as vehicles, as far as smokeless fuel being introduced into the Onchan and Douglas area? I know it will not be politically very successful but it needs to be done. Could he come back to this hon. Court with some sort of time period? What are we going to do about air quality within the Douglas-Onchan area?

**Mr Gelling:** Mr President, as I have said, at all times we must seek these initiatives. The hon. member has mentioned himself many initiatives that could be taken, some not quite as easy as others, but I know myself I have heard the argument put as to - and I do not want to get on to the subject - where the incinerator should be sited and basically the argument was put very forcibly by a well-known scientist where he said that there were more emissions into the atmosphere from the wagons travelling 10 miles to an incinerator, so put the incinerator where the source of your waste is. (**Several Members:** Hear, hear.) These are all the things that have to be considered, and I will leave it at that.

**The President:** Now, hon. members, with the remaining two questions down for written answer and those answers having been circulated, I think we can conclude the emissions from the Court at this moment (*Laughter*) and the Court will now adjourn. The adjournment will be until 2.30, hon. members.

### **Free-Market Economy - Government Policy - Question By Mr Cannan For Written Answer**

#### **Question 24**

The hon. member for Michael, Mr Cannan, to ask the Chief Minister:

*Can you reconcile the policy of the government that promotes the Isle of Man worldwide as a centre of excellence for the free-market economy, whilst operating a disco and a travel agent subsidised by public funds and in competition with the private sector?*

#### **Answer**

This administration has no greater difficulty than its predecessors in reconciling the full range of government services with its policy in relation to the development of the private sector.

The Department of Tourism took over the operation of Summerland, including the Cave Disco, in 1987 and the disco was the subject of a major refurbishment and upgrading in 1989. During this period the hon. member for Michael was, of course, the Minister for the Treasury.

The Isle of Man Government does not operate a travel agency.

**Cave Disco - Revenue Account - Question By Mr Cannan  
For Written Answer**

**Question 25**

The hon. member for Michael, Mr Cannan, to ask the Minister for Tourism and Leisure:

*Will you provide members of Tynwald with a copy of the revenue (profit and loss) account for the Cave Disco for the financial year 1996-97?*

**Answer**

Firstly, I must advise the hon. member that the accounts for the Cave Disco form part of the overall accounts for Summerland. These are itemised under amenity operation within the accounts of the Department of Tourism and Leisure which form part of the detailed government accounts. The overall deficit for Summerland for 1996-97 was £130,263.

Secondly, all overheads are met centrally and are not apportioned to each area of activity. In such cases it is not possible to provide actual costings which relate to the disco only.

The following represents the trading surplus for the disco for 1996-97. This is offset against the central operational costs of the Summerland complex.

**CAVE NIGHTCLUB - TRADING ACCOUNT 1996-97**

£

<u>INCOME</u>	
Admissions	47,216
Bar sales	95,434
Shop sales	1,258
	141,867
<u>EXPENDITURE</u>	
Salaries	47,216
Bar purchases	34,664
Bar materials etc.	1,706
Commissions	5,089
	83,586
Trading Surplus	<b>58,287</b>

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The trading surplus for the Cave Nightclub is offset against the following central operational costs:

	£
Rates (inc. water rates)	39,982
Electricity	46,789
Performing Rights	3,722
Refuse	4,600
Stock Taking	2,650
Communications Rental	1,920
Licences	5,598
Laundry, cleaning	6,800
Security	20,370
Maintenance	35,000
	<hr/>
	167,431
	<hr/>

*The Court adjourned at 1.13 p.m.*

### **Announcement Of Royal Assent**

**The President:** Hon. members, I have to announce to the Court that the Recreation and Leisure Bill has been signed by a quorum of both branches in accordance with standing order 106 and has received Royal Assent.

### **Petition For Redress Of Grievance Of Mrs Joan Mann - Select Committee Appointed**

**The President:** Now, turning to our order paper I call upon the hon. member for Douglas East, Mrs Cannell, to move item 3.

**Mrs Cannell:** Thank you, Mr President. I beg to move:

*That Tynwald appoint a select committee of three members to consider and report on the petition for redress of grievance presented by Mrs Joan Mann at Tynwald assembled at St John's on Tynwald Day 1997.*

This is in connection with a petition for redress of grievance which was submitted on Tynwald Day last year by Mrs Joan Mann and it deals with the issue of battery hens; it also deals with the issue of consumer information with regard to where the eggs, which are produced by the hens, come from.

I have no intention of making any long speeches today. A speech was produced to this hon. Court on 16th December last year; subsequent to that there was a brief debate and I

have no intention of going over old ground. I would merely like to say that at that time on 16th December the two branches were very much divided, and that is to say that the Keys were fairly united in their opinion that they felt that the petition ought to be supported and a select committee ought to be appointed to actually look into the issue, whereas the Legislative Council, unfortunately, were somewhat of a differing opinion, and so therefore the item fell at that particular sitting. I did inform hon. members at that time that I would be bringing it back for a combined vote and so therefore I beg to move, under standing order 3.19, that we take a combined vote now and that Tynwald appoint a select committee of three members to consider and report on the petition for redress of grievance presented by Mrs Joan Mann at Tynwald assembled at St John's on Tynwald Day 1997 and I beg to move, sir.

**Mr Karran:** I beg to second and reserve my remarks, sir.

**Mr Shimmin:** Mr President, I find myself in a strange position, being a member of the department which may come under scrutiny should this select committee be appointed by this chamber, and at the sitting in December I shared the views of many of the members in this Court, which is the discomfort at some of the practices which had previously gone on historically within battery hen farming. However, within that department I believe that the initiatives which have been put forward to be sound. However, it has not allayed the concerns of members of this chamber or, indeed, of members of the public. I therefore felt then, as I do now, that it would be worthwhile for a select committee of this Court to sit to look independently at the matter, scrutinise what actions have been proposed and taken by the department, which I believe will be found to be worthy, in order that this matter can then be put to rest and that the members of this chamber can feel satisfied that the matter has been thoroughly investigated. It is a matter which has been on the floor of this chamber before.

My only concern would be to urge members, if it is the will of the chamber to elect to have a select committee on this, that we look closely at the make-up of that select committee in order to get genuinely independent viewpoints rather than maybe those who have already a clearly defined view on the matter. I think it is worthy of scrutiny. I think, if looked at objectively, we will then get a report which will be worthy of this chamber and I would therefore urge, if the Court does agree to this motion, that we think seriously and carefully about those people who represent us on that select committee. Thank you, Mr President.

**Mrs Crowe:** Mr President, I fail to see the need to appoint a select committee to consider the petition of Mrs Joan Mann. The Board of Consumer Affairs has addressed the deficiency in our law and shortly new regulations will come before this hon. Court which will require the following consumer information on all egg boxes from Manx poultry farmers: the quality and weight grading; the name of the packer; the date of the packing; the method of production, i.e. free range eggs, barn eggs, four grain eggs, or eggs from caged birds. In fact, more consumer information will be required on Manx produced egg boxes than on boxed eggs from other countries.

Now what would a select committee achieve? It could, of course, devastate the Manx farmers who produce eggs; that is true. It could not ban the importation of foreign caged birds' eggs. The Isle of Man is a free trade area and that is part of Protocol 3.

I can see no value in supporting the setting up of a select committee that can only disadvantage Manx farmers. Our supermarket shelves would still be full of eggs from caged

birds but all from foreign producers, over which our Minister of Agriculture would have no control at all. A select committee could not dictate that consumers only purchased free range eggs and indeed, as the Chairman of the Board of Consumer Affairs, I would uphold the right of consumers to have a choice. At present Manx consumers choose four times as many caged bird eggs as eggs produced free range or barn laid eggs, et cetera. Now I do have sympathy with the animal welfare activist, but this hon. Court should be aware that a select committee could only damage Manx farm egg producers to the advantage and indeed the delight of all the foreign importers to the Isle of Man. Thank you, Mr President.

**Mr Barton:** Mr President, at the December sitting I listened to the hon. member for Rushen and the Minister for Agriculture, also the member for East Douglas. I felt the arguments put forward by the former two far outweighed that of the hon. member for East Douglas moving this motion, that of setting up a select committee, and I thought their arguments were strong enough for me to vote against it. I am afraid I was quite surprised, in fact, after the sitting that the hon. member for East Douglas rushed off to Manx Radio saying that we had frustrated the wish of the people.

I am a little bit puzzled by what she means by this. I think surely hon. members of Tynwald, in whatever capacity, that have been elected by the people and eventually may be elected to the Legislative Council are here to listen to the motions put before the Court and weigh the pros and cons and then make their decision and vote accordingly, and I think it is sheer arrogance to insist that we should always support such a motion.

I have listened again to what has just been said by the hon. member, the Chairman of the Consumer Council, and I am still not convinced of the necessity of setting up a committee of three people and, hon. members, I would ask you to think on what was said in December, what has been said so far this morning by the three members, and I will not be supporting this particular motion.

**Mr Downie:** Mr President, I will try to be brief. I supported the move to set up this committee at the previous meeting and that is my view at this particular time. I would just like to draw to members' attention that circumstances have overtaken us once again and there is in fact a court sitting within the EU who are currently looking at the whole future of battery hens, and it is expected, or anticipated, that quite early on this year the whole process of battery egg production will be outlawed by the EU. Now, I think that, rather than make any decision as far as the Isle of Man is concerned, it is appropriate that we look into the system in the Isle of Man here, we try and find out what is going on and, who knows, the committee may be in a position where they can recommend some form of protection for the Manx industry and perhaps insist that any eggs that are imported into the Isle of Man are produced in a similar vein and give the local producers some sort of assistance, as happens in other areas within the agricultural industry in the Isle of Man.

I think today we have to support the setting up of this committee. I think a lot of people outside are convinced that some of the practices which take place in modern farming methods are totally unacceptable to them and I think this Court would be brought into disrepute if they did not support this motion today and let the committee get on and do its job and report back to Tynwald at its earliest opportunity. Thank you.

**Mr Delaney:** In brief, Mr President, I am privileged to be able to be here to vote. I am going to vote for this because I do not know what everyone is reading, but I am reading the resolution on the paper here which is not prejudging what the committee is coming back with; they are just going to look at the problem. What is wrong with that? Would somebody tell me what is wrong with a committee of this hon. Court who do represent the people, particularly that branch, as far as I am concerned? They will look at it outside the body appointed by the government, which is the Consumer Affairs, a different ball game. If this Court wants to look at the problem it should look at the problem and I am going to support it.

**Mr Gilbey:** Mr President, in view of the last but one speaker said when he told us that the EU were going to look at the whole of this matter within a few months and no-one knew what was going to be the result, would it not be much wiser to wait until we know what their proposals are? Why do all the work on this ourselves when they are going to consider it? Why not wait and then get the Department of Agriculture and the Board of Consumer Affairs to report to us on what the EU have decided and how this might affect us and what we should do? To my mind, what the hon. member for West Douglas has said shows that it would be quite premature to set up a committee at this stage.

**Mrs Hannan:** Eaghtyrane, it would be quite wrong to give the impression to this hon. Court today that a select committee could look at this particular issue and could decide that they could control our access of goods, free movement of agricultural materials, food or whatever. That is not possible under Protocol 3, as mentioned by the member for Rushen. So we have to work within, the parameters that we work within and we have worked within these parameters for some time. Members will remember, back some many years ago, that the majority of the egg-laying industry was wiped out by the free movement of goods from Northern Ireland and also by the purchase at that time by government departments of imports simply because of the cheapness, the cost of these sorts of imports. So I do not think we should get away with the thought that we can control the import of the free market when it comes to food and agricultural products; we cannot do that, and I would hate any committee set up by this Court today to think that that is possible, because it is not under our international obligations under Protocol 3. We have always looked at Protocol 3 as being helpful, being useful to the free movement of goods, and I do not believe there is any committee of this Court, looking at the full aspect of that and not just in isolation but looking at it when it comes to eggs, would conclude that that decision should be changed.

The member for Douglas West mentioned the European Union and if I could draw to the attention of members a statement that has been made by Elliot Morley - he is the Minister in MAFF; the press release relates to rising animal welfare standards across Europe: 'Morley Details Presidency Priorities. New rules which, for the first time, would set common minimum standards for the welfare of livestock on farms across Europe were proposed today by the animal welfare minister, Elliot Morley. Mr Morley, speaking to the MEPs in Strasbourg said, "There is a gaping hole in the European Union farm animal welfare legislation. Although there are common rules for the welfare in transit and at slaughter, there are no overall controls for animals on farms. This is odd considering that this is where they spend the greater part of their lives. It is vital that we have a directive covering welfare on farms so that standards can be improved across Europe and there can be common levels of enforcement. In the UK we have a highly developed framework of rules on welfare, but there are no common minimum

standards in Community law, and this is a major omission. I recognise that it will take some time to negotiate the new rules but I am determined there should be a start during the next six months." Mr Morley put the need for a new directive alongside progress on laying hens and welfare on slaughter as aims of the UK presidency on animal welfare. The directive would build in the new Treaty of Rome protocol negotiated by the government which classes animals as sentient beings. A proposal for a directive on animal welfare on our farms' -

**Mr Delaney:** A point of order, Mr President.

**The President:** Hon. member for Peel, a moment, please. What is your point of order, sir?

**Mr Delaney:** That the document has not been circulated that is being quoted here. Standing orders say that documents should be in our hands.

**The President:** Which document are you referring to?

**Mr Delaney:** The document being read out by the Minister for Agriculture.

**The President:** It is normal for a minister to read from aspects of a document and I see no problem in relation to this particular portrayal, which is not a full document being recited to you. Proceed, minister.

**Mrs Hannan:** I am merely trying, Eaghtyrane, to deliver information to members so that they would have it in their hands, and I can certainly circulate it afterwards; there is no problem with that.

'The directive would build on the new Treaty of Rome protocol negotiated by the government which classes animals as sentient beings. A proposal for a directive on animal welfare on farms was originally submitted in 1992 but has not been discussed since 1994. Detailed measures already exist for pigs, calves, and laying hens, but for no other species. On laying hens, Mr Morley said he would urge the commission to bring forward proposals on bringing an end to battery cages in the long term. He said phasing out is not yet an immediate possibility while the problems of aggression in alternative systems remain unsolved. However, in adopting a new measure the European Union must make it absolutely clear that the end of battery cage production is the long-term aim. There is no doubt that the negotiations will be difficult, the concerns about costs to producers and vulnerability to third country imports being raised. However nothing is to be gained by delaying a start to discussions. Mr Morley said he would like to see commission proposals on welfare at slaughter, requiring the severing of both carotid arteries as well as setting minimum stunning currents and gas concentrations, come forward quickly.' I merely read from that so that members know exactly what the thinking is when it comes to the European Union and also the UK in relation to its presidency priorities.

Now, we have had representations since this matter has been discussed in the department and also in the press from the Isle of Man free range egg producers. In the press they actually said there should be a 10 to 15-year period whereby egg production from battery cage to another acceptable sort of production should be given so that people knew over that 10 or 15 years that it would not be acceptable after that time. They have since, in letters to me when I raised this with them, suggested 10 years as this period of adjustment from battery to some other area of production, whether it be free range or barn or whatever, because even with free range there is a problem with standards of hygiene such as salmonella and other

areas which there is a concern about because of contamination of eggs. So it is not just as straight forward as saying that one production area is acceptable and another production is not, simply because of the aggression that relates to the other areas of production.

So the free-range farmers have suggested that there is this period of changeover. My department, in relation to the standards that were in evidence, have stated that there should be a three-year period whereby there is a change in the production in relation to battery hens, not that it should cease immediately but there should be a changeover period. The feeling of the department is that the actual cost of changing from the system that is in at the moment to the new system in the year 2000 would probably be enough to actually change the whole of egg production for the producers and they will change to a different system simply because of the investment that would be made then, especially with the rising standards that are going to be expected throughout Europe and the concerns that have been expressed by the UK because these standards have to be in right the way across Europe. Now, if - (*Mr Downie interjecting*) I cannot see, by the statement that has been made, that the EEC will outlaw battery egg production by the end of the year so I think we should forget that. If, however, it is the will of Tynwald that a select committee would be set up to look at these particular issues, my department certainly has nothing to hide when it comes to looking at issues such as this. Our animal welfare standards have been increasing and we have introduced these new animal welfare standards without being prevailed upon by either petitions to Tynwald or by members of this hon. Court.

I remember, when I brought forward these new regulations, that I do not think they were even commented on by the Court. They were not a large priority at the time. However, I did feel that they were a major step forward in animal welfare, and it gives the producers and it also gives the people that they were producing food for the chance to make this changeover from one system to another. My department has been making, over the last 10 or 15 years, regular changes in animal welfare both on farms and in other areas as well.

The changes that have been made, not only by my department but also by the industry, have been quite remarkable. We have the farm assured scheme which has been taken on by a majority of the farmers. That deals with welfare of animals on farms. This really comes from the marketplace, the marketplace dictating. There have also been higher standards on hygiene regulations at the farm level and also in the abattoir in the preparation of food. So there have been major changes which farmers have had to take on board and make the changes only in the last two years. At the last sitting of the Court, there was some comment made by the number of producers. We are talking about, in June of last year, seven producers of battery egg production; we now have three farmers producing eggs under the battery egg system.

The other area I would like to comment on, really, is the area of food labelling regulations which the member for Rushen, the Chair of the Consumer Affairs Board, has mentioned this afternoon, and it is interesting that these new standards will be brought in but not just for battery egg production; they will be brought in for free-range production as well, and that is something that concerns my department, that small egg producers that are producing eggs here will have to apply these regulations for food, and the feeling of my department is that bringing in these new regulations will make a change, they will place a responsibility on the battery producers, and that is one area, but they will also bring these standards and they will

be applied to free-range egg producers, the small egg producers, and the feeling of my department is that because they are restrictive and necessary, possibly, in some areas where eggs move from huge distances, hundreds of miles, so that you would not know your producer, you would not be able to trace back your egg to where it was produced, but we feel it would have a detrimental effect on the small egg producer in Mann, and that is not necessarily a level playing field throughout the whole of the European Union where our free market does exist.

I think the other comments that the member for Rushen made were about the import of eggs from other places, and we have already had that; we have already had a major impact on the egg industry over the years by the import of cheap, or cheaper, food products which have wiped out the larger size of our industry. Our industry now, our egg production, is extremely small - many small people in that area.

So I would hope that members would think very carefully before voting for a select committee today when all these particular areas are being looked at, are being considered by my department. The member for Douglas West suggests - he is a member of the department - we have nothing to hide; that is fine, and that is the way that I feel about it, but I feel that to set up a select committee to look at something which is actually happening anyway and being addressed by my department and other departments is possibly overkill and, while members might think that they would support the wiping out of the battery egg industry, I think you have to recognise that the majority of eggs eaten in the Isle of Man are produced in battery situations because they are cheaper and, if that is the case, the majority of the public out there will be looking for reasonably cheap foodstuffs, and this is one of the problems, I think, that we have always come up against in agriculture, that we expect very high standards when it comes to food production, when it comes to animal welfare, when it comes to hygiene standards, but we are not prepared to pay for those particular standards, and I think that we have to recognise that these higher standards have to be paid for one way or another. If they are not paid in kind, in money, they are paid in people's jobs.

**Mr Downie:** Animals suffering!

**Mrs Hannan:** Before I do sit down - yes, there has always been animal suffering because we are carnivores, Eaghtyrane. (*Interjections*) We kill animals, all right. The member will say, 'Well, they are looked after well before they are killed' but they are killed and we then consume them. There are many people who are vegetarians, vegans or whatever, and that is their choice. I think this petition of grievance is a petition that is seeking choice, and I think the member for Rushen has spelled out that that choice is going to be offered to people. They are going to be allowed the choice, the operation.

The other area of the production, which I think really the member for Douglas East is wanting to attack under this particular petition and which I do not think actually comes under the prayer but I think it will be included by the select committee because they will find a way round that, is being addressed by my department, and if members are saying that people should stop this particular area of production of food, then, yes, they should be compensated, if it is before the time limit that we have set for changes within the department.

**Mr Karran:** Eaghtyrane, all I would like to say is that I think it is a simple decision of making a vote here today. (**Members:** Hear, hear.) I am a little bit concerned about the tone of

the debate. We have people here, like the hon. member for Glenfaba, telling us to wait until Europe happens and yet he is generally the Europhobe member for this hon. Court. I hope he will be the same waiting until the Social Charter is finally sorted out for the working people!

But the point I just would like to say before I sit down is the fact from the minister. I do not believe that the department has anything to hide and I do not see what the problem is of having this select committee. There are two facts that we have got to address. If we do not get our act together on the agricultural industry in this Island, it will be gone, and one of the fundamental principles of good government is housing, defence, which we pay the adjacent island to do, and food production and I honestly think, if nothing else, this select committee will maybe start to guide us into a more sensible and more logical system of how we want to see our agricultural industry on this Island. It is all right people talking about battery hens and all this, but there is no way on this Island that the agricultural industry can compete on an even footing with the adjacent island. We talk in hundreds; they talk in thousands or hundreds of thousands when we talk of egg production and things like that.

I just hope that hon. members will just support the proposal. Let us get a mixture on this committee, not all one lot or the other lot, and then let them come back with an interesting report. If we had addressed the issue years ago we more than likely would have an egg industry on this Island.

**Members:** Hear, hear.

**The President:** It is over to the mover's Court now! *(Laughter)* May I call on the mover to reply?

**Members:** Agreed.

**Mr Delaney:** Cluck, cluck. . . !

**Mrs Cannell:** Thank you, Mr President. Well, if I could start with responding to the comments made by the hon. members for West Douglas, I would merely say that I thank them for their support and the offering that they have made and contributed to the debate thus far, and I appreciate that the hon. member for West Douglas, Mr Shimmin, does have a difficulty in that he does serve on the Department of Agriculture, but then, as he has said - and it has been further compounded by the minister - that department does not have anything to hide, and I am overwhelmed by that knowledge here today.

If I could go on to Mr Barton, member of the Legislative Council, I do not really think that there is much for me to respond to because much of what he said was actually comments and points of view. However, I do take notes of the comments that he made.

Again, I would thank the hon. member of Council, Mr Delaney, for his support, and I am pleased to see him back in the upper branch here today.

**Members:** Hear, hear.

**Mr Delaney:** It is all these Manx eggs I have eaten! *(Laughter)*

**Mrs Cannell:** Now the hon. member for Glenfaba, Mr Gilbey - again I am a little bit worried about his perception of the debate so far, in that it appears to me that what he is proposing is that we react when the EU makes its mind up, and I think, really, what the petition and the debate surrounding the petition in December - what the message that came out to my

mind was that we ought to be proactive in this area, and particularly noting the comments made by the last member to speak in that it is an important part of our economy, it is an important part of our livelihood, our infrastructure; our tradition is the production of food, farming, agriculture on a whole and fisheries, and so I think we need to take a proactive look at this.

Now, I am also thankful for the comments and observations and contribution made by the member for Onchan, Mr Karran.

If I can just deal with the two last members who spoke, firstly the chairman of the consumer board, the hon. member Mrs Crowe for Rushen. Now, she questioned what the select committee would achieve. She also mentioned that a select committee ought not to be dictating, and the perception of what a select committee does for Mrs Crowe worries me a little bit, Mr President, in that my perception of a parliamentary select committee is to actually look at an issue or issues in fine detail, perhaps to take comments from members of the public and specialists in a particular field and to put all of these components together and present a report to this hon. Court. To my mind there has never been a situation where a parliamentary select committee would dictate anything to this hon. Court. This is the highest court in the land and it is this Court which dictates things to committees, to government departments on occasion, and so therefore, to my mind, a select committee being appointed to look at it would look at it and they would look at every aspect of it and they would come back, perhaps with recommendations, perhaps with just merely findings, but that would be up to the select committee to decide upon, but certainly they would never come back and dictate to hon. members.

Now, the hon. member also said that the consumers dictate what they want to buy and that they want to buy caged birds' eggs. Well, of course, there is a little bit of a dilemma there because on the one hand we have a present situation where the consumer is not aware of what they are buying, in that there is no regulation at the moment to say whether or not the eggs arrived have been from a battery system or whether they have been free range or whether they have been in deep litter. We merely have marketing descriptions such as 'barn fresh', 'farm fresh' and so on, and so therefore the consumer is dictated by the price and, given that we are talking about mass production, battery farming is about mass production, and let us remind ourselves, hon. members, this type of production for battery farming only came in following the Second World War when there was a shortage in food. Prior to the Second World War there was no such thing as intensive farming methods of this kind. So it has actually been in since the early 1940s. We are now in the situation where we are no longer short of food and in fact we have mountains of it, but that is by the by, so the consumers are actually buying because of the price of the goods and not because it has come from a caged bird. If it has come from a caged bird, then I would suggest that the consumer is not aware of that and that is why the petitioner is asking that we look at that aspect as well as the welfare of the animal.

Finally, the comments made by the hon. minister for the department, and I would thank the minister for having put correct the situation with regards to Protocol 3, when the Chairman of the Board of Consumer Affairs was a little confused what came under Protocol 3 and what did not, and so I thank the minister for correcting those comments; it saves me a job. But also I appreciate her reading out part of the concerns expressed by Mr Morley, the UK agricultural

minister, and he is correct to inform us that there is great concern and that they are looking for a long-term formula. That is quite correct, and it is getting quite close to the EU actually looking at it, but I would have thought all the more reason that we take a proactive position here and we could possibly run in tandem or perhaps even reach a conclusion prior to the EU - who knows?

Now then, just finally, Mr President, the hon. minister finished her comments by saying that all animals for human consumption are killed, but perhaps the one thing that has not come out this afternoon is that, unlike cows, sheep, pigs and so on, where there is a method of slaughter - that is to say, there are regulations, rules and conditions laid down in law as to how one should put down that particular animal - I do not like the word killing, I shall say 'put down' - with battery hens there is no method of slaughter, and once that hen has reached the end of its laying life, which is usually quite short, usually between a year and 18 months as opposed to a free-range hen which could live seven years or more, then it is up to the producer as to how he or she deals with that particular animal, and I certainly do not have any knowledge on what methods are actually used but there is no method laid down in legislation as to how they should be ended.

The minister also said that she was concerned for the small egg producers, and I think every member in this hon. Court will be concerned with the small producers, in fact all producers of food, including eggs, but I would suggest, Mr President, that if the hon. Court is in support of a select committee, then I feel sure that such a committee would look at all concerns and particularly those raised by the minister with regard to the small egg producers.

I do not want to labour any more, I think enough has been said today. (**Members:** Hear, hear.) I would merely say, Mr President, that again I would beg to move the motion standing in my name as item number 3 on the agenda. Thank you, Mr President.

**The President:** Hon. members, I will put the resolution set out at item 3 on the order paper. Will those in favour please say aye; against, no. The ayes have it.

*A division was called for and voting resulted as follows:*

*For: Messrs Cannan, Quine, Rodan, North, Houghton, Crowe, Cretney, Duggan, Braidwood, Mrs Cannell, Messrs Shimmin, Downie, Singer, Bell, Karran, Kniveton, the Speaker, the Lord Bishop, Messrs Lowey, Waft, Dr Mann and Mr Delaney - 22*

*Against: Mr Gilbey, Mrs Crowe, Mr Brown, Mrs Hannan, Messrs Corkill, Gelling, Barton, Radcliffe, Luft and Mrs Christian - 10*

**The President:** Hon. members, the resolution carries, with 22 votes being cast in favour and 10 votes against. We now come to the appointment of a committee of three members; may I have nominations, please?

**Mr Duggan:** Mr President, sir, I move Mrs Cannell.

**Mr Lowey:** I beg to second.

**Mr Gelling:** Mr President, I propose Mr Rodan.

**Mr Cretney:** I beg to second that.

**Mr Braidwood:** I propose Mr Karran, sir.

**Mr Lowey:** I second that,

**Mr Kniveton:** I propose Mr Duggan.

**Mr Corkill:** I beg to second, Mr President.

**Mr Karran:** Can I propose Mr Speaker?

**Mr Gilbey:** I second that.

**Mr Shimmin:** I propose Mr Brown, please, Mr President.

**Mr Downie:** I second that.

**Mrs Cannell:** Mr President, I would like to propose Mr Kniveton.

**Mr Quine:** If I may second that, sir?

**Mr North:** I propose nominations be closed, Mr President.

**A Member:** I will second that. *(Laughter)*

**The President:** Is that agreeable?

**Members:** Agreed.

**The President:** Thank you. Now the ballot papers are being circulated, and when you have the ballot paper in your possession, hon. members, the learned Clerk will read out the names of those nominated. Please vote for three.

**The Clerk:** Mr President, hon. members, the members who have been proposed and nominated are, in alphabetical order: Mr Brown, Mrs Cannell, Mr Duggan, Mr Karran, Mr Kniveton, Mr Rodan and Mr Speaker.

*A first ballot took place.*

**The President:** In the Council will Mr Lowey act as a teller, please?

**The Speaker:** Please can I ask Mr Cannan to act as teller, please?

**The President:** Hon. members, the outcome of the ballot: Mr Brown, 9 votes; Mrs Cannell, 15 votes; Mr Duggan, 10 votes; Mr Karran, 16 votes; Mr Kniveton, 17 votes; Mr Rodan, 13 votes; Mr Speaker, 16 votes. Of that number only one member has achieved the necessary majority and that is Mr Kniveton. We vote again on the remaining names and on the same names as on the previous paper. This time we are voting for two vacancies, hon. members. The same teller act, please, for the Council. Hon. members, before we get to the stage of counting we have to vote, the papers are distributed. The learned counsel will read out once again the names of those who are now eligible to be voted for.

**The Clerk:** The members are asked to vote for two names amongst the following candidates: Mr Brown, Mrs Cannell, Mr Duggan, Mr Karran, Mr Rodan and Mr Speaker.

*A second ballot took place.*

**The President:** Hon. members, the result of ballot number two: Mr Brown, 2 votes; Mrs Cannell, 14 votes; Mr Duggan, 3 votes; Mr Karran, 20 votes; Mr Rodan, 9 votes; Mr Speaker, 14 votes. In that election Mr Karran is the successful candidate. We have one vacancy to fill and the Court will vote again. The papers will be circulated and the names will be read out

again by the learned Clerk. In this case, hon. members, in this particular ballot I want to draw your attention to this fact that the candidate with the lowest number of votes in that particular election will be disqualified from the next ballot, and that means Mr Brown goes out. (*Laughter and interjections*)

*A third ballot took place.*

**The President:** Hon. members, the result of the ballot: Mr Brown, 1 vote; Mrs Cannell, 15 votes; Mr Duggan, 1 vote; Mr Rodan, 2 votes; Mr Speaker, 12 votes. Hon. members, there are two members with 1 vote only and there is no candidate been elected in that ballot. Would you agree that the two members at the bottom end of the poll be eliminated from the ballot?

**Members:** Agreed.

**The President:** So we are going to ballot on three nominations: those of Mrs Cannell, Mr Rodan and Mr Speaker.

*A fourth ballot took place.*

**The President:** The outcome of the ballot: Mrs Cannell, 15 votes; Mr Rodan, 1 vote; Mr Speaker, 14 votes. No hon. member has received the necessary number of votes to be elected to this vacancy and we will have recourse to another ballot, dropping off the name of Mr Rodan in this case. Incidentally, there were two spoilt papers.

*A fifth ballot took place.*

**The President:** Hon. members, the outcome of the ballot is: Mrs Cannell, 14 votes; Mr Speaker, 17 votes. Mr Speaker is duly elected to the committee, which consists of Mr Speaker, Mr Karran and Mr Kniveton.

Now, hon. members, after that marathon you might well consider there must be a simpler way of getting to a conclusion than the rather onerous procedure we have had in relation to this election, a simpler means of ascertaining the wishes of the Court, and perhaps the Standing Orders Committee could in the course of the next few months have a look at this to see if there is a means of improving the electoral procedure. (**Members:** Hear, hear.) Thank you, hon. members.

### **Ministerial Government - Operation Of - Motion Deferred**

**The President:** We move on to item 4, on the order paper and I call upon the hon. member for Onchan, Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, I beg to move:

*That a select committee of five members be appointed to consider and evaluate the operation of ministerial government, and report.*

I shall be short as far as this motion is concerned because I believe that everybody who has any interest in good government must support the proposal in front of them.

I am moving this motion today because I believe that this exercise has been needed to be done for some time and, because of a long overdue review of the work of the ministerial system, I believe this Court should be taking the opportunity to support this motion in front of us today. We have seen for over 10 years the ministerial system. We have ministers who have worked in the system who are now outside the system; we have members and ministers that

have views on the system from outside this hon. Court, and the only way we can get as broad an input into the discussions is through a select committee.

Now, I believe that it is most important that we do review this important piece of legislation and how it works, making sure that it is working in the most effective and most efficient way. I believe that at the present time that is not the case. Is there a need for the present ministerial system? This select committee will investigate many issues, perceived imbalances as far as the power and concerning what happens in the executive and how the executive has weakened the legislature independence. Are there too many people who are ministers in the executive? Is it right that we can have a situation that the executive can veto private members' Bills, virtually, in the legislature? Is there a need for more scrutiny from members on legislation and maybe less members in departments? Is there an increasing role for the legislature as to check the balance of the executive? This cannot be done if it is left to cosy chats behind closed doors. I believe that this hon. Court should have a select committee.

We saw only in the previous sitting where the hon. member for Council, a long-standing member of this Court, Mr Lowey, had concerns about giving another sweetie, as many perceive that the Chief Minister can give from his smartie bag in relation to patronage with the fact that we have given another chairman's fee for such as the Chairman of the Planning Committee. Now, I have no problems as far as that is concerned. I think the Planning Committee has more work and more responsibility than many of the statutory boards have, and I have no problem, but what effect does it have when we increase the posts that are available for members of the legislature to become members of the executive? Fundamental questions need to be asked by this select committee, and I believe that they need to be asked with a cross-section of membership. Have we got too many ministers? Have we got the right departments of government? For example, is there a need for a Ministry of Agriculture? Should it have a role that should be part of the Department of Local Government or Industry? Should it be changed or increase its role by taking over responsibility for food and food hygiene? Maybe it should take that role off the Department of Local Government? These issues need to be addressed in open forum so that the general public can see it.

Have we got the right ministerial balance between ministers and department members? Are there too many department members in some departments and not enough in the others? We see this problem, Eaghtyrane, that some departments of government cannot get members because the workload is so much, whilst other departments have three members with very little or nothing to do.

I believe that a select committee will not just review the legislation and the present set up, but it also gives the opportunity to the general public, the taxpayers of this Island, to express their views on what needs to be done as far as the present ministerial system is concerned. I believe that it would also give people who have had ministerial posts that are now outside the membership of this hon. Court an opportunity to express what they see now that they are outside this hon. Court.

I hope this hon. Court will seize this opportunity to give a general overhaul on this most important piece of legislation. As I have said before, Eaghtyrane, this has not been brought up in competition with the Chief Minister. I brought my proposal forward. The Chief Minister's proposal was brought forward and I believe that that is all well and good as far as the executive is concerned. I believe that exercise is worthy of being done, but at the end of the

day the people who should be leading any investigation should be this hon. Court, and it should not be the executive who have most to lose if there were radical changes needing to be done.

I hope this hon. Court will support my proposal and will support a select committee to review the whole system of ministerial government. We have had 10 years of it. It is about time the general public had a right to put some input into the way we are governing this Island. I beg to move.

**Mr Houghton:** Mr President, I rise to second and reserve my remarks.

**Mr Rodan:** Mr President, I rise to move:

*That debate be adjourned to the February 1998 sitting.*

The question of evaluating the ministerial system is of course, as the hon. speaker has pointed out, a matter principally for Tynwald and not the Council of Ministers. As a parliamentary body it is Tynwald which is the proper body to scrutinise the workings of the executive and to propose what changes, if any, should be made to the operation of the ministerial system which forms the basis of the executive. So Mr Karran is quite right, if he has doubts about the ministerial system, to bring the matter to the floor of this hon. Court and to propose a parliamentary committee to look into it. Of course, within the last month all members have had a letter from the Chief Minister proposing a seminar on 30th January over this very subject, the ministerial system. While this interest and concern by ministers about the way the system operates is certainly to be applauded, it is of course again for parliament, this parliament, to debate and consider any changes. So, Mr President, in the spirit that this seminar will be of real value in helping members of Tynwald assess the ministerial system albeit in the non-parliamentary setting of the Stakis Hotel, I would propose that before discussing whether a parliamentary select committee be appointed in advance of that seminar it would be eminently sensible for us today to postpone this debate until February, when the seminar will then have taken place. So I move the motion to adjourn.

**Mr Downie:** I have much pleasure in seconding, Mr President.

**The President:** Does any member want to speak to the adjournment motion? The five-minute rule applies.

**Mr Karran:** Eaghtyrane, as compromise is important, I have no problem with the adjournment. I think it will concentrate people's minds as far as the initiative that has been done by the Council of Ministers. So I have no problem with an adjournment and us coming back in February. So long as we in this hon. Court are in the driving seat and it is not done as some sort of cosy situation behind closed doors without the general public, I will support the adjournment.

**The President:** The proposer of the adjournment has a right to reply if you wish, sir.

**Mr Rodan:** I have no wish to reply, sir.

**The President:** May I put the adjournment resolution, hon. members? Those in favour please say aye; against, no. The ayes have it. The ayes have it.

**BBC Television Services - Statement By The Chief Minister**

**The President:** Hon. members, we move on to what I might term the new business. Item 5 on the order paper, a statement by the Chief Minister.

**Mr Gelling:** Mr President, first of all may I thank you for the situation whereby I can make this statement to hon. members, and I am sure members will recall that in March of last year the Chairman of the Communications Commission and myself met with Sir Christopher Bland, the chairman of the BBC. The main purpose of the meeting was to explain to Sir Christopher in person two aspects of the corporation's television service to the Island which were considered to be unsatisfactory. These two aspects were: first, the northern part of our Island receives BBC transmissions from the BBC North-East region. As a consequence, viewers in the north receive BBC regional programmes originating in Newcastle, an area with which the Island has no community of interest. Second, Douglas and its relay stations receive BBC transmissions at different times during the day from either the transmitter at Winter Hill or the transmitter at Colbeck. When the service switches between transmitters - and switching does take place about 25 times a day - there is an interruption in the transmission which affects the quality of the picture. The dissatisfaction felt because of the service originating in the North-East of England has been exacerbated by the recent introduction of a regional Ceefax which, also in the case of the Isle of Man, originates in the North-East of England and shows regional news, weather and other features from the North-East and Cumbria, not from the Isle of Man and the North-West.

It took a long time and much pressure to secure the meeting with Sir Christopher, and I regret to say that it has taken a long time and many reminders to secure a substantive reply to the points that we raised last March, but at last we have a reply and I am grateful to you, as I have said, Mr President, for the opportunity of reporting on that reply to hon. members.

The letter which we have received, signed by the secretary of the BBC, apologises for the delay in replying and says that careful thought has been given to the problems identified. It confirms that the BBC wishes to do what it can to address the problem within the constraints of funds available and without creating a problem for licence fee payers elsewhere. Five technical solutions of varying effectiveness and cost have been examined, and one of these has been identified as likely to be viable and cost-effective. 'Cost-effective' is, however, a somewhat relative concept and the BBC letter makes clear that the transmission cost per head associated with providing the solution would be greatly in excess of the average transmission cost per head for the rest of the United Kingdom.

Our Communications Commission have welcomed the BBC response, subject to a point about timescale to which I will refer shortly. The technical solution proposed would enable BBC North-West coverage to extend to more than 96 per cent of the Island; however, the remaining 4 per cent or thereabouts would, as now, have to receive transmissions from Scotland or Northern Ireland. It would be prohibitively expensive to provide 100 per cent coverage for the Island from the North-West region.

The BBC says that it will now proceed to develop a fully costed evaluation of the investment proposed. If the costs resulting are significantly greater than the rough order of magnitude identified to date, then they will need to consider the position further. They promise to be in touch immediately they have the results.

The position therefore appears to be that the BBC acknowledges the inadequacies of the present service as regards the origin of their signal and the switching between transmitters

and they have identified a technical solution which, on current preliminary costs, they can regard as viable. Further work is to be done on the technical solution and, provided nothing untoward comes to light, the BBC appears to be prepared to implement that technical solution.

I take comfort from this and assume that we can expect an improvement in the service, and this is a substantial step forward. What is, however, missing from the BBC letter is any indication of a specific timescale either for implementing the technical solution or for advising us when the further work needed on the technical solution will in fact be completed. We have therefore, in replying to the BBC, acknowledged the generally positive tone of their letter but have asked that they give an indication of when their further analysis is likely to be completed and, assuming no untoward difficulties, when we might expect to see the benefits of their proposal translated into an improved service.

I thank you again for allowing me to make this statement to hon. members today, Mr President.

**Mr Delaney:** A question on the statement, Mr President. I thank the Chief Minister, obviously, for at least since March we have got now to the New Year and we have actually got a reply to a letter! We should put out the flags on the promenade! Why is it that our Chief Minister and his officials seem to be running round talking to what is an appointee of the British Government about looking after the welfare of our people? The courtesy that has been shown this matter shows an arrogance beyond belief. Would he please inform them, through your offices, Chief Minister, that this is not acceptable to this member anyhow? They are there to serve the public and the public of this Island - we - have agreed that we will take and pay our licence fees. If he does not like the arrangement, tell him we will go elsewhere.

While I am speaking, will you please inform them that the whole of the Irish Republic receives BBC 1, BBC 2 and the other channels and does not pay a penny piece to them, the British Government, in licence fees, with better reception than our people get who are paying licence fees? Will you please inform him of that?

**Mr Cannan:** Mr President, first of all can I thank the Chief Minister for at least obtaining a reply which, on the face of it, seems satisfactory? Will he give me an assurance that he will, with a certain amount of energy, pursue the agreements or proposals that the BBC have made? Finally, Chief Minister, can you indicate to this Court, which part of the Island is the unlucky four per cent that is not going to be in receipt of this improved service? I hope that in their letter they indicated to you, Chief Minister, that portion of the Island, that unlucky four per cent, and perhaps you could tell us this afternoon?

**Mr Downie:** Mr President, I too, like previous speakers, am sad at the amount of time it appears to be taking to come to any sort of agreement with the BBC. I think members should be aware that currently in the United Kingdom there are, and continue to be, moves to hive off different sections of the BBC and this is what we are caught up in at the moment; I feel we are part of a pawn in this programme of removing some of the major sections of the BBC out to the private sector.

What does concern me and I would like to ask the Chief Minister if he can give an indication of what sort of costs would be involved by the BBC for making the reception in the Isle of Man viable, but ask him to offset that against the £2 million plus that we pay every year in licence fees. Now, I understand from discussions that we have had with the home affairs

department quite recently, the Communications Commission, that a much better reception could be achieved in the Isle of Man by providing a network which would cost somewhere in the region of half a million pounds. Now, that is not a lot of money to pay when you see the revenue that is being creamed off by the BBC.

The other thing I would ask the Chief Minister to consider, if the old terrestrial technology available to the BBC is not going to be viable for much longer, further on in the agenda we are going to be talking about bringing a cable to the Isle of Man; if we had a fibre optic in that cable, we would be able to provide a full satellite BBC - call it what you like - system to every home in the Isle of Man through their electricity supply and I think that is another avenue that we have got to keep our eye on. Thank you.

**Mr Karran:** Eaghtyrane, I would just like to ask on the statement: the Chief Minister in his reply - would he not agree that the situation is that we are impotent, and until we decide to do something the Wireless Telegraphy Act, there is little we can do, and until hon. members have the backbone to address that and a few other fundamental constitutional issues such as the Royal Assent being on the advice of this government and not on some third division civil servant in the adjacent isle, we are deluding ourselves and we should get that sorted out? Does he think that, after the input of this morning and this afternoon, maybe we should be drafting our own Wireless and Telegraphy Act and getting rid of UK legislation on this very important subject?

**The President:** Have you a further question, sir?

**Mr Cannan:** Just one question, Mr President. With deep respect, can I advise the Chief Minister that the residents of Little London are able to receive a television signal, yet they cannot get even at this day and age a fresh water pipe supply? *(Laughter and interjections).*

**The President:** Chief Minister, can you reply to those points? *(Laughter).*

**Mr Gelling:** Mr President, thank you. Yes, indeed, the displeasure of myself and the Council of Ministers they already know of, and I would suggest that Tynwald today has probably confirmed that displeasure also. So in replying to Mr Delaney, yes, that is a fact.

As to the technical side, people that may not get it - I am not in a position. . . I was going to perhaps suggest the area that the hon. member for Michael himself was suggesting, but we now realise that they cannot get water and the UK have had no hand in that. However, that is not the case; I understand it is on the far northern plains of our Island because of course they state that they would continue to receive their signal from Northern Ireland or Scotland, so I can only assume that it is more up in the hon. member for Ayre's situation.

Mr Downie asks what it is going to cost. This is, of course, again ballpoint figures because they have not done the technical study, but they do mention mercury fibre links and different technical terms which would be in the region of quarter of a million pounds; that would be a capital investment, but there would be an on-going annual fee of over a quarter of a million pounds a year to actually service that.

**Mr Downie:** Still a million and a half better off!

**Mr Gelling:** As I said in my statement on the costs, I did this morning suggest that the costs were quite a lot more for people in the Island, and it is in fact 18p per person in the UK

and it is £4 per person in the Isle of Man. That is their scale of what it is costing them to give us the reception that they do or the non-reception that we get.

Now if I can come back to Mr Karran, the hon. member, he has had four goes, I think, now in this session, so we have got it well and truly recorded, but we must continue to strive to get the best we can for our people in the present situation, and I would suggest that the other situation that again he and Mr Delaney have alluded to is something that will have to be addressed for the future. But it is a much bigger situation than the one we are addressing today. Thank you, Mr President.

### **Merchant Shipping (Fees) (Amendment) Regulations 1997 - Approved**

**The President:** Item 6, The Minister for Trade and Industry.

**Mr North:** Thank you, Mr President. I beg to move:

*That the Merchant Shipping (Fees) (Amendment) Regulations 1997 be approved.*

Members have been circularised with the details of this and I beg to move.

**Mr Crowe:** I beg to second, Mr President.

**Members:** Agreed.

**The President:** Hon. members, I will put the resolution standing at item 6 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

### **Inland Fisheries (Duties) Regulations 1997 - Approved**

**The President:** Item 7, the Minister for Agriculture, Fisheries and Forestry.

**Mrs Hannan:** Eaghtyrane, I beg to move:

*That the Inland Fisheries (Duties) Regulations 1997 be approved.*

The department reviews its fees and charges on an annual basis. These regulations specify the duties payable for fishing licences in the 1998 angling season. The reservoir angling season provides 236 days for angling from 10th March to 31st October with a bag limit of four fish per day. The river angling season provides 214 days for angling from 1st April to 30th September for trout with an extension in October for fishing for salmon and migratory trout only. The daily bag limit in the rivers is six fish, of which no more than two may be salmon or migratory trout.

The duties for 1998 are estimated to increase the amount of duty received by just under three per cent from some £50,000 in 1997 to about £53,000 in 1998. This compares with annual expenditure on fresh water fisheries which of course includes Lhag Vollagh hatchery of about £160,000 per year. The regulations also provide generally that a reduced rate of duty is payable by those who have not attained their 15th birthday by the 31st December in the year of issue of an angling licence.

This provision is currently set to a specific date relative to last season. The amended wording provides the more general description referring to the 31st December of the year in which the licence is issued. Members will have seen the details of licence types and duties which my department has circulated to advise them of the regulations. I beg to move.

**Mr Shimmin:** Mr President, I beg to second and reserve my remarks.

**Mr Singer:** Mr President, I would like to comment on the document's first page, which indicate that the fee payable for a river fishing licence for the fishing season is £25.50. I have no criticism of that figure, in fact I think it is a very attractive price; it is the dates of the end of the season that I would like to mention briefly. I have been approached by people who fish for salmon who are concerned that whilst the salmon season finishes on the 31st October, in dry summers the salmon do not fully enter the rivers until after that date. Their concern, therefore, is that they do not get the chance to fully enjoy their sport and the rivers are left at this time as a poachers' paradise. I would ask the minister to consider, on the advice of the freshwater fish officer, that after a dry summer, if justified, she extends the season for that particular year by one month. Would the minister be kind enough to report back to this hon. Court on the matter?

**Mr Downie:** Mr President, on a similar vein I rise to support, basically, the Fisheries (Duties) Regulations. I think that across the board the department does generally provide good value for money for the angling fraternity. I would just like to ask the minister if the department could perhaps, instead of rigidly adhering to the river angling season, have a more flexible approach and throughout the season take advice from the fisheries officer and the freshwater biologist and all the other people and, when we have an exceptionally dry summer and the rivers are low and there are no movements of migratory fish into the rivers, the department then can take the decision to extend the season in some way. Now, traditionally, when I used to go and fish on the rivers, the salmon season always closed on the 20th November each year and I know that a few years ago there was concern about the effect that the late date was having on the numbers of migratory fish and the season was shortened for conservation reasons, but I understand that the department's hatchery now in Laxey are stripping fish and we are introducing eyed ova and smolts and parr into the river and the scheme is working quite successfully. So I would ask the minister if she could perhaps be a little more flexible and perhaps include in the regulations at some future time this provision where the department would have the discretion. Thank you.

**Mr Delaney:** The hon. member for West Douglas has covered the points. It is just that a movable date is more important to an angler when mother nature gets to play than anything else because he is paying a licence when he cannot even possibly catch anything.

**The President:** Reply, minister.

**Mrs Hannan:** Thank you, Eaghtyrane. The angling season is set by regulations approved by Tynwald. Members will appreciate the lead in time to introduce amendments to legislation. By the time it becomes apparent that significant autumn spates. . . and this is what the anglers are alluding to: when you have a spate the fish are able to access the rivers, but they may not occur during October and there might be insufficient time for the department to seek the approval of Tynwald. For example, the 1997 subsidiary legislation to be placed before Tynwald in October had to be forwarded by the 24th September. But it changes from year to year; it depends on the spate; it depends on the rainfall; it depends on various issues. For regular anglers already holding a river season licence October is an added bonus, though a highly prized one, and for those who want only to fish for salmon and migratory trout that is the time that they really look for, so what they are looking for really is an extension of the salmon and trout, not the extension of the season in general.

There are comparatively few years when salmon and migratory trout have not started running in October. However, if there is compelling evidence of a shift of rainfall patterns then I

will be happy to reconsider the situation so as to amend the appropriate legislation. But I think it was the member for Douglas West who suggested that this had been brought in for the simple reason that it was a conservation measure, and we have had representations made to the department on the concerns that have been expressed in regard to the availability of fish. What we are trying to do is conserve the fish and it does sometimes cause problems for people who wish to catch these fish. The more fish that are able to enter the river and spawn in the river the more salmon there will be in the future for fishermen to fish. So it does cause some concern.

Yes, we are developing Laxey hatchery for the salmon, but this does not necessarily have a lot of support from the anglers because they think there is a concern about it that the fish do not return simply because of the way they are reared. However, we are meeting the anglers next month and so it is something that I will be discussing with them, but the department has to weigh up the conservation measures and also the response to people who do purchase licences to fish in rivers and in reservoirs and I think, at the moment, we have got a fair balance. But I will listen to my officers, I will listen to anglers and see what they have to say prior to bringing forward regulations for next year. I beg move.

**The President:** Hon. members, I now put the resolution set out at item 7 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

#### **Airport - Refurbishment Of Departure Building - Expenditure Approved**

**The President:** Item 8, the hon. Minister for Transport.

**Mr Brown:** Mr President, I beg to move:

*That Tynwald authorises the Department of Transport to undertake construction works for the refurbishment of the ground floor of the airport departure building for a sum not exceeding £539,750.*

The department at present, as members are aware, is refurbishing the existing terminal building at Ronaldsway Airport as phase 4 of the airport redevelopment programme.

Phase 4 is in two stages. Phase 4A works, which are now being completed, involve the external refurbishment of the building and the first floor, and I would at this point like to take the opportunity to thank everyone who works at the airport terminal and the public for their co-operation over the last few months whilst those works have been undertaken. We do appreciate their support and patience during the disruptions. However, we now move on to phase 4(b). Phase 4B, which is a capital scheme and for which the department seeks to incur expenditure not exceeding £539,750, is to refurbish the ground floor check-in area inside the building.

The number of passengers passing through the airport has increased dramatically in recent years. In 1995 there were 547,210 passengers; in 1996 there were 617,653 passengers; and in 1997 there were 687,187 passengers. That is an increase of 11.5 per cent over 1996. Over the last two years there has therefore been a total increase in passenger numbers of 139,977, or an increase of slightly more than 25 per cent over the 1995 figure. We expect the numbers to rise to about 750,000 by the end of the century - that is in a couple of year's time. The existing terminal building will not be able to cope with increases of this

magnitude and that is why the department is progressing the redevelopments of Ronaldsway Airport.

The refurbishment of the existing terminal building under phase 4 is an essential precursor to the construction of the separate arrivals building under phase 5. The department's refurbishment of the ground floor of the existing building will incorporate modern check-in and baggage handling facilities which reflect the present-day expectations of the travelling public, who are accustomed to air travel. Also, improvements are being included to meet aviation security requirements laid down by the UK authorities in respect of air passengers departing to destinations in the UK. These concern the security of air side access and baggage security.

The department invited tenders for the building works and separately for the check-in desks. Following the selection procedures laid down by Treasury, the lowest fixed price tenders were chosen and, of the six responses received for the building works, that submitted by Parkinson Limited is to be accepted subject to Tynwald approval.

The new check-in desks and associated facilities will be to modern standards and also include additional check-in capacity to cope with the anticipated growth in air passenger traffic into the early years of the 21st century. This is a very specialised kind of furniture and of the three companies invited to tender, the lowest was submitted by a firm called SBF Limited of Sussex.

Subject to Tynwald approving the motion, the proposed works would commence on site in early February of 1998. They are scheduled to be completed before August 1998 when it is programmed, again subject to Tynwald approval, that phase 5 construction of the arrival hall shall begin. I beg to move the motion standing in my name.

**Mr Kniveton:** Mr President, I beg to second and reserve my remarks.

**Mr Downie:** Mr President, I would just like to make comment, really. I like to see buildings being looked after and expanded and improved and refurbished, but I just want to point out to the minister my particular view in this matter.

I would have been content today if the minister had come before this Court and said, 'Right in order to stop inconveniencing the travelling public and to get on with it, we are going to amalgamate phase 4 with phase 5' but coming here with a scheme today to spend £539,750, in building terms, is peanuts. If the job needs doing let us get on and do it properly and stop messing about and inconveniencing everybody that uses the airport. I think it is justified spending the money but we are biting away at it there, nibbling like a mouse at a piece of cheese, and if you look at what is actually happening, we are actually throwing good money after bad, because every time we go in there and open up another part, you find all the dust and muck is all over the piece you have just done. You would be far better in my opinion tackling the job properly and doing it right. All credit to the department when they built the new extension, with people housed in those portakabins that did for the departures area. People accepted that but people will not accept years and years of operating from a construction site, and that is what we seem to be dealing with all the time at the airport.

I would say to the minister now, if he comes with a scheme and rounds all these other areas up and we have got money to do it, present it to Tynwald and I feel sure that you will get

support rather than continually messing the travelling public about with all these temporary measures and disruptions to travel. Thank you, Mr President.

**Mr Braidwood:** Mr President, I also rise to support the Minister for Transport. I think the works division of the Department of Transport have done an excellent job on the external refurbishment of the terminal and also on the construction of new offices and the reception area on the first floor. I am glad that phase 4B is going to be progressed as quickly as possible, particularly the check-in area, because with new baggage handling facilities and the Mallaghen equipment it will be far more efficient to load the aircraft, sir. I also would like to endorse the sentiments expressed by the hon. member for West Douglas, Mr Downie, in saying, yes, I would like phase 5 construction start as quickly as possible, hopefully, as Mr Downie has already said, to cut down on the inconvenience to the travelling passengers.

**Mr Crowe:** Mr President, I rise to support this motion. I was invited along to see the plans and the layout last week, I took the opportunity to go down to the airport and I found it very interesting. I think, contrary to what Mr Downie and Mr Braidwood are saying, you need to phase this work because if you tried to do it all at once, you might disrupt it greater than it would be done by doing it in a phased way. But the reason I rise principally is the concern I have - and maybe the Transport Minister can reassure me - is the link to Heathrow that the Island enjoys; how safe are the slots that Manx Airlines have at Heathrow? As people are probably aware, in Guernsey Air UK have sold their slots to British Airways and in the local paper in Guernsey they were talking about the importance of Heathrow, and I will quote from the Guernsey Press which says, 'What makes the Heathrow route essential is the diversity of destinations it services. These make Guernsey an international centre for banks, insurers, fund managers and commerce with clients and customers all over the world. Some businesses move to Guernsey because of the good interlinks through Heathrow. Others are reliant on these links and have developed because of them. Many could now move to more accessible locations.' So what I would like to know from the minister is how close he works with Manx Airlines, how safe are those slots and has he influence with them to see that we secure that important route which the Island enjoys with Heathrow?

**Mr Karran:** Eaghtyrane, I am not so full of praise as far as this scheme is concerned. I think that, yes, it is very good to see that we have had 11 per cent increase in passengers, but let us not delude ourselves, that is because the monopoly of Manx Airlines has been sorted out, and I would think that maybe our beloved government could better spend more time in sorting out the monopoly as far as the Irish connection is concerned as well. What concerns me about this proposal in front of us today is that here we have a situation where we have little unemployment, we have an overheating in the building industry. Other departments seem to be in a situation. . . it seems to be magical departments around here: some always get 'yes' and some of us always get 'no' (*Mr Cannan interjecting*) and the point is that I am concerned about this and a lot of these other ones which I regard as nice ventures, good ventures and things that should be done in the future, but I do not see them as the backbone and the core things that we should be doing when we have a situation where we have got an overheating in the economy in the building industry, we have got little or no unemployment and we hear that there is money for this but where is the money, where is the grant aid going to come for the basics within our community that need to be sorted out: the roads, the water-pipes, maybe Mr Cannan's water-pipes in Little London as well? (**Members:** Hear, hear.)

But the point is that again I think we are gilding the lily, in that we are not addressing the real issues. We have roads in a terrible state. We have complaints. I have mentioned to the minister complaints about harbours and he says there is an initiative to safeguard that particular harbour, which I welcome, but I just feel that it is wrong of us to be spending money at this present time. I shall be voting against it unless there is a real good reason why I should vote for it, because there is no justification at this moment that the Isle of Man is going to collapse, and I am very much aggrieved that other people's projects and things that need to be done come second place to these fancy schemes that are not essential to this Island.

I wonder whether the hon. member can tell us about the disabled lift that we spent - what? - £50,000 or £70,000 on? Is it working yet? What concerns me is that we had a situation not so long ago where we were going to spend another few thousand pounds on this walkway from King Edward harbour to the Victoria harbour. A lift can take six people at a time. You have got 500 people coming off the boat and you have got to walk up two storeys in order to get across to walk on the walkway. Now, my concern is how we got ourselves into a situation where we are allowing money to go into these minor schemes when there is no need for them in the present situation of unemployment and the building industry overheating at the present time.

I do not believe we should be supporting this but I would be very interested if the hon. minister can tell us about the chair lift that we had to have, it was vital to have, and here we are a couple of years later, as I say, and it was still not working up to recently.

**Mr Braidwood:** Incorrect!

**Mr Brown:** I get up a bit nervous, Mr President (*Laughter*): I cannot remember what I have done! I have to say I am not really sure what the hon. member is talking about regarding the chair lift. I may have lost something there but I really honestly do not know what that is about.

**Mr Karran:** You spent £50,000 on it.

**Mr Brown:** Well, I do not know. As Minister for Tourism and Leisure up to last year I do not remember spending anything on that, but anyway the member will have a word with me quietly afterwards and I will maybe put him in the right direction.

Can I concentrate on the issue before hon. members, which clearly is about the ongoing refurbishment and improvement of facilities at Ronaldsway Airport? If I can say that I welcome the support members have given here on the principle of our ongoing improvements, and Mr Downie made a number of points with regard to amalgamating phase 4 and phase 5 together to get it all done at once. I think it is fair to say that if that had been possible, not just doing it physically but in financial terms, we would have been pleased to put it all together and come here for one big vote and go with it, but of course, as hon. members are aware, my department is one of nine competing for funds in capital terms, and the Treasury, and we ultimately, have to make a decision on balancing out the needs of the Island and where the priorities of capital are spread over. I think it is fair to say that my department has been successful in achieving a reasonable programme to enable us to continue our programme of refurbishment, renewal et cetera at Ronaldsway Airport. We have had other things that have taken a greater priority and if I give an example, the secondary radar - when that had to be slotted into the programme it was of higher priority, air safety, than having nice cosy airports

which are maybe better conditions. So they are the sort of things which I know members understand.

So from our point of view it would have been nice, yes, to just come along, say, 'Here is the whole scheme, give us the money, let us go with it'. What the department did do many years ago - and I think the minister was Arnold Callin - was to present a total programme of redevelopment for Ronaldsway which showed how it would end up at the end of the day and hence why we have some concerns from people now that when you come out of the airport the public car park is over there, but when the new bit is built, the next phase, phase 5, which provides the new exit and entrance it will be right in front of the car park. So these things, at least, have been planned with an overall picture and have had to compete for their financial phasing through the government's normal procedure. But again I thank the members for their support and appreciate the comments they have made on that.

As far as phase 5 is concerned, which is the extension to the airport, which will be the Ballasalla end, we have just received planning approval on that and I hope to be, I think at the June Tynwald, asking for the money for that next phase. That will, of course, then create the next bit to the airport. So that is hopefully enough to advise members of what that is about. I do accept the inconvenience and I made recognition of that to the travelling public and I think very much of the staff who are working there and who are actually having to work in conditions that are somewhat strenuous in terms of noise at times, and of course the staff themselves who are doing the work and who are having to work round the operations of the airport; we do appreciate that.

Mr Crowe raised the issue of our links with Heathrow. Well, of course, from our point of view we see Heathrow as a vital link for the Isle of Man, and Manx Airlines know we see that as a very important link for the Island. However, the hon. member says, 'How safe are the slots?' The answer is we do not really know, because they are 'owned by the airline' - when I say owned by the airline I think it is one of their main companies - and they are the ones who determine what the slots are used for and I think, in conjunction with the airport authority, those slots could be used in other ways. Now, we certainly, as the Isle of Man, and through my department, through government, make representation on this and we did do to the Home Office minister that was in the Island recently and the point was raised there. I was not able to attend the meeting but I asked for it to be raised and it was. And there is recent comment being made by the Isle of Man Government back through to the UK on this issue at this very moment. So from our point of view we will do what is reasonable to protect our interests in supporting the airline, because that is all we can do. It is not our decision; it is the pressures of Heathrow on small domestic flights that are causing the problem, and we did undertake a survey with the public, undertaken on our behalf by Treasury, to ascertain the public's view with regard to Heathrow, and clearly people want to continue to fly to Heathrow. We all know the reasons why - the connections and so on. So we are certainly quite clear on our commitment to try and make sure we continue to use Heathrow, or at least Manx Airlines can continue to use Heathrow, or whoever, to the Isle of Man and back.

Mr Karran, the hon. member for Onchan, went on about the monopoly of Manx Airlines. All I can say is that the Isle of Man Airport has always operated an open airport policy, and what we say is - and, I have to say, with criticism sometimes from Manx Airlines - that we will provide a level playing field and that opportunity is open to anybody, and that is what has

happened at Liverpool - the deal that Manx have got, Emerald have got and vice versa, and we do not favour one against the other. We try and ensure we can assist to make the climate work. Clearly I have to say my own view, and I am sure that of most of us, is that there is plenty of business in the north-west and, since we have had two airlines operating into Liverpool - and, yes they have had to compete - they have also by competing generated the business, and that as a side effect means that the Steam Packet have to also be out there competing, because otherwise everything nearly would come by air. So there is a benefit to the Isle of Man. All I would say in fairness to Manx Airlines is that I think, as a small island such as ours, we are very fortunate to have such extensive services throughout the British Isles provided by Manx Airlines. They do fly, you can fly to Manchester, Liverpool, Heathrow, quite easily on day-trips or whenever you need to go and those services are there, and for a place the size of the Isle of Man I think we are very fortunate to have that sort of service but we do work in partnership. We do have differences now and then. So what? We have different responsibilities, but most of the time we work together and we do make it work.

The hon. member said that it was a nice venture; could it not be done in the future? It was overheating in the economy. Well, I have been in this hon. Court now since 1981, and the only time I did not hear that phrase being used was, I think, between 1981 and 1985 when we had a big recession and we were struggling very hard. Ever since then we have always had that view put to us. The difficulty is, government plans its programme. We plan our capital programme five years ahead and we cannot switch on and off like that because, if we did, it would affect the very things we are trying to achieve: the services the public want, the improvements they want, whether it be an airport, schools, hospitals, whatever it may be, and we have got to try and assess how we deal with this. I would say this is not a nice venture. I would say it is an important investment for the Isle of Man into, now, our main route for people to travel to and from the Island, whether they be holidaymakers, daytrippers, businessmen or the local people of the Island, and therefore we should make sure that we provide the best facilities possible, the best facilities we can afford.

The hon. member compared it with the need for water pipes. There is no comparison whatsoever, because that is a rate-borne matter and the Water Authority borrow money, I think, maybe through Treasury, but it is a separate issue; it does not affect the department's vote as such. The hon. member said, 'Why should I vote for this? I will vote against it unless I know why.' Well, all I can say to the hon. member is, I would say the reason why is that we are improving standards and the quality of service to the travelling public, and also we are improving the working conditions for our staff. Therefore I believe those together are important for the Isle of Man and of course we are improving the gateway to the Isle of Man. So I hope the hon. member will support the motion before us and I would ask members to support the motion standing in my name.

**Mr Braidwood:** Mr President, I might be able to help the minister to enlighten Mr Karran over the ambulift. The ambulift was purchased for about a fifth of that cost, I think of about £10,000, to be used in conjunction with the Mallaghen handling equipment. The ambulift was used so frequently the airport had to purchase additional Mallaghen baggage handling equipment, sir.

**The President:** Thank you, hon. member. Hon. members, I will put the resolution standing at item 8 on the order paper. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Hon. members, the Court will now take a break and we will return at five minutes past five with everyone present. *(Laughter)*

*The Court adjourned at 4.46 p.m.*

### **Pharmaceutical Services - Excess Expenditure Approved**

**The President:** Hon. members, returning to our order paper, we turn to item 9 and I call upon the Minister for Health and Social Services.

**Mrs Christian:** Mr President, I beg to move:

*That Tynwald approves Treasury to apply from general revenue during the year ending 31st March 1998, an additional sum not exceeding £1,250,000 in respect of excess expenditure in the provision of pharmaceutical services.*

This resolution seeks to address the funding problems with which we are faced, caused by the seemingly remorseless growth in both the number of prescriptions being written by general practitioners and the cost of the drugs so prescribed, as well as in the numbers exempt from prescription charges. On average, 12 script items per person are expected to be issued in 1997-98. This compares, for example, with eight script items per person 10 years ago. The gross cost of the ingredients now stands at an average of £11.28 per script item, compared with £6.34 10 years ago. The proportion of exempt prescriptions has risen from 63 per cent at that time to a current 88 per cent of exemptions. I am afraid our budgetary allowance for this aspect of the provision of our health services is about to be exhausted.

Approval of this motion is sought so that the necessary funding is in place to support the writing of further prescriptions between now and the end of the current financial year.

I have had circulated a detailed explanatory memorandum for members which I hope has proved helpful in appreciating the scope and the complexity of the problem. In particular, I would draw attention to paragraphs 9, 12 and 13 of that memorandum.

Paragraph 9 deals with the current position and indicates the view of the Value For Money Committee, basically which sets out that if charges, exemptions, rises in costs and items prescribed continue to rise as at present, the cost of prescribed drugs is likely to increase to £59 million within 20 years. I do not want to dwell particularly on that figure but to illustrate that the historical growth, if continued, is going to be very significant for the future if it continues in this way. The Council of Ministers' view is that we should not vary the exemption criteria, and to that extent there can be no significant change in the income which the department is likely to derive from prescriptions.

In paragraphs 12 and 13 of the memorandum we do indicate what this element of growth will do to our overall budget. We did at the time of the policy debate have an indication of how much additional funding was to be provided to the DHSS, and I have to say that the Treasury were generous in their allocation of extra funding in relation to what was given to other departments. However, we have to recognise that in terms of our own requirement we could certainly use further funding in order to sustain the services which we provide, irrespective of whether or not we have pressures put upon us to increase those services.

The element of this year's growth in the drugs bill will impinge, if we are to provide even the same level of funding for next year, on this extra funding. That in itself restricts our ability to continue with existing services or to provide any additionally new services, and at the same time paragraph 13 reminds both the department and the Court that, if this level of growth continues, we will need even further funding next year to account for the inflationary effect to meet the demand for this particular service. It is the department's intention. . . and we are working on tackling any element of waste or inappropriate prescribing, in so far as we can, but there is no doubt at all that even with rigorous steps in those directions we will not be able to contain it within the growth of the ingredient costs which are going up so very fast.

I hope that hon. members will support this resolution. It is tabled and will give, I hope, an opportunity for members to express their views as to where we should be going in the future on this particular area because it has implications not only for our patients, not only for the department, but for the overall expenditure which government provides for the health service, and that in its turn reflects in the overall funding picture as to what is available to other departments as well. I beg to move this particular motion, Mr President, and seek the hon. members' support for this extra funding for the department.

**Mr Delaney:** I beg to second, Mr President, and rise just to assure the members I have not used all £1,250,000!

**Mr Braidwood:** Mr President, it does give me great concern to see an increase over the budget of 13 to 14 per cent. I would like to make some suggestions; I think one of the suggestions the minister already knows and is trying to implement through the National Health Service in the Isle of Man, and that is by improving the use of generic drugs, from the moment from 50 per cent to 65 per cent. I actually mentioned last month some practices use 75 per cent of generic, other practices use a lot less and she is trying to put pressure - or hopefully put pressure - on by sending additional circulars round to try to make general practitioners and even dentists use a generic alternative.

One other suggestion, if I may put it forward, is that at the present time it is the onus on the doctor to mark the prescription form to see if you pay for the prescription or not. I believe that self-certification would be the best, which is in use in the UK and is on the back, and the onus is on the patient; he ticks the back and signs it, and I believe penalties are being brought in in the UK for any false information which is put down. This would then take the onus off the doctor and put it on the patient. Many a time the doctor will fail to mark the bottom of the prescription charge, the patient will go along to the pharmacist, put his prescription in and will receive his drugs free of charge because it has not been marked on the prescription form. I hope the minister will take these two suggestions on board, particularly the self-certification of the prescription form. Thank you, Mr President.

**Mr Singer:** Mr President, rather like the Mir space station, over the past 12 months we have seen the DHSS drugs bill spin out of control. The discontent within this hon. Court and in another place has been quite obvious, as demonstrated by the number of questions asked concerning DHSS services and the apparent lack of controls on many of its responsibilities. I think there has been more general criticism of this department than any other, and I would imagine there is not one member of this Court who is surprised to see this item on the agenda today.

Having read the explanatory document, I could only interpret it in two ways: either (a) it was a failure of the people responsible for the service to anticipate what are quite clearly known trends within the spending patterns here and in the United Kingdom - and there is only one way to correct that failure - or (b) it is an attempt to bluff this hon. Court because of the department's error in ignoring the warning signs.

At Tynwald sitting in February 1997 a supplementary vote of £2.2 million was approved for the DHSS without debate, and some of that figure was made up of overspending on the pharmaceutical drugs bill. That overspend was largely responsible to the previous minister who had not controlled his budget. The lessons do not seem to have been learned.

In this hon. Court on March 19th 1997 I asked this question of the hon. minister: 'In view of the continuing increase in the cost of prescribed drugs does the pharmaceutical adviser have an annual target of savings to be achieved. . .?' The part of the minister's answer which is relevant to this debate was: 'The attachment of a financial target was not seen to be helpful but 'the individual officer, like other managers, will have agreed personal objectives against which performance can be measured.' When I then asked, if there was judged to be an adequate cooperation from the general practitioners, would she give powers to the pharmaceutical adviser to ensure savings are made?, the minister replied that the officer had only been in post a short time - it was 4<sup>1</sup>/<sub>2</sub> months at that time - and she was preparing a report for the department at the end of that month for discussion within the department and with the Value For Money Committee.

I am not personally aware of any discussions that have since taken place with the Value For Money Committee - that is, since April 1997 - nor of any conclusions the Value For Money Committee have placed before the hon. Court on this subject, after their initial response at the beginning of 1997. I understand also that the Public Accounts Committee were also due to investigate the cost of drugs.

At that sitting in March 1997 the minister concluded by saying - and I quote - 'We are concerned that we certainly keep within our budget estimates for the forthcoming year - that if during the course of the year we are not making sufficient progress in this matter, we will consider further steps.' I believe members can draw their own conclusions as to the effect of those further steps and also the contribution that has been made to savings by the pharmaceutical adviser.

At the sitting of Tynwald in May 1997 I asked the Minister of the Department of Local Government, what was the value of unused and unwanted drugs returned to pharmacies and collected by his department? The reply was that a professional estimate was between £150,000 and £300,000 per annum. And at the same Tynwald the minister of the DHSS, when asked, what positive steps have been taken to reduce the quantity of unwanted drugs returned to pharmacies by the public?, replied that the department was actively addressing this major area; following a review undertaken by an internal working group, many recommendations had already been implemented.

Now, I suppose what you might term the crunch of that answer was when the hon. minister said, 'The department has not felt it appropriate at this stage to apply a target of savings', and continued, 'It might be fairer to say that strenuous efforts are being made to contain the escalating costs of the drugs bill.' Strenuous efforts? I do not think we will find

anyone in the DHSS out of breath! There was a DUMP campaign - that is, the disposal of unused medicines and poisons - at the end of last year and, whilst we have not seen the results yet, my experience tells me that the equivalent annual returns can be reduced and savings made.

In October 1997 in another place I asked a representative of the DHSS, the hon. member for Onchan, Mr Karran, would he accept my calculations that the loss of income from prescription charges because of prescription forms not correctly marked for payment could be £150,000 per annum and that the prescription form should be urgently revised so all department income due is collected? Mr Karran's reply confirmed his minister's answers, that the department is well aware that there are areas of saving that could well be achieved.

I find it very disheartening that the department, knowing full well that there is a hole in the bottom of the bucket into which the prescription charges are placed, have not pursued this matter over several years but can make the complacent statements that are made in the explanatory memorandum, bemoaning the probability that projected prescription charge income will fall. The government backed away from increasing the prescription charge recently, and quite rightly so, because it is time for the DHSS to put its own house in order on these matters. It is quite feasible that the DHSS with all its specialist advisers - if they were to grasp the problems, £300,000 to £400,000 would not be lost annually. Now, this may be a small figure compared to the total budget, but it is one third of this supplementary request.

Hon. members, what I have tried to illustrate in my comments today is the apparent, to me, laissez-faire approach of the greatest spending department in government, an attitude which appears to say to me, 'Well, even if it is not for emergencies, Tynwald will always bail us out with taxpayers' money.' An extra £2.2 million last year without a debate, £1.25 million this year. This cannot go on, and I, on principle and as a protest at the lack of initiative, the lack of control and the apparent lack of urgency to correct the problems, will vote against this motion. Thank you, Mr President.

**Mr Rodan:** Mr President, firstly I would wish to declare a pecuniary interest as I still have a business which enjoys an NHS dispensing contract.

I do not dispute at all the minister's basic arguments about the rising cost of prescriptions to the NHS and, unlike my professional colleague, Mr Singer, I will be supporting the motion this afternoon. But I would like to have clarified a number of points which were brought out in the explanatory memorandum. Appendix A, the table that we were provided with, is headed: 'Cost of pharmaceutical services'. Now, do we mean the cost of pharmaceutical services or do we mean ingredient costs? The actual cost of providing pharmaceutical services comprises several things: it comprises ingredient cost, it comprises a clawback of discount obtained by pharmacists, it includes container cost, dispensing fees and various professional allowances.

Now, I have taken the liberty of circulating to members a table of the breakdown of prescription costs as they apply to England and Wales, the latest statistics I have been able to obtain and are on an April to July quarterly basis. They show an average ingredient cost on the top line of £8.40, which certainly is nearly 6 per cent higher than the £7.95 they record for the same period the previous year. Now, if we can safely assume that our £11.50 cost per prescription is indeed the drug ingredient cost without other payments, and I assume that is what it is, then the Isle of Man is clearly higher than England and Wales but in fact this has

always been the case. It is a fact of life due to different prescribing patterns, population profiles and, perhaps most importantly, because appendix A and paragraphs 4 and 5 say these figures here include the hospital drug costs. Now, I just wonder why we cannot strip out of the figures the hospital drug cost just to get a clearer comparison. So it is not necessarily helpful, therefore, to compare directly appendix A with the figures that I circulated, except to see that over there they have exactly the same problem as ourselves of escalating costs. Their April to July period showed a 3.9 per cent increase in prescription numbers; ours over the year is 2 per cent. Their ingredient costs have gone up 5.8 per cent, but ours appear to be 9.6 per cent. So yes, we do have a situation of rising cost of drugs, and the explanatory memorandum is correct when it says the situation here replicates what is happening elsewhere.

I think it should be noted that the minister referred to 12 prescriptions per head of population annually, and that is not so very far out from the England and Wales average also. We have had, though, over 10 years when our population has gone up by 12<sup>1</sup>/<sub>2</sub> per cent, we have had between 1986 and 1996 a rise in prescription numbers of 56 per cent, and the cost of those prescriptions ingredients has gone up by 167 per cent in 10 years. However, when we look at the department's figures at constant prices, at September 1997 prices, although the rise in drug costs is shown as going up from £5.2 million to £8.8 million - that is in fact 69 per cent - the average cost of a prescription at constant prices has only gone up in the 10 years from £10.14 to £10.77. In other words, the average ingredient cost of a prescription has actually changed little in 10 years, in real terms only by 6 per cent. Now, I think we can conclude from that that the greatly increased amount of generic prescribing which has been taking place in the Isle of Man, encouraged by the department, and which drives costs down has been outweighed by the higher cost of the recent expensive new drug treatments which the minister correctly referred to.

Now, it is not only the taxpayer who has the consequences of this. The effect on pharmacy margins over the 10 years, due to escalating drug costs, increased volume, and a stock-holding of increasingly expensive items which need to be purchased up to two months before reimbursement by the health service, has had catastrophic effects on many small pharmacies, and certainly in England and Wales you can see from these figures that the gross profit of providing a professional service, on the bottom line of the first table, 14.8 per cent, and this is a fall from 24 per cent to 25 per cent over 10 years. In effect what is happening is that 50 per cent more work is being done for 40 per cent less reward, and this is seriously affecting the ability of small pharmacies, with which the Island is well served, to actually provide the service to the public.

Now, this is something over which the Isle of Man health service itself has little control because it follows the England and Wales drug tariff in respect of remuneration and that remuneration is being driven steadily downwards by political pressures from the British Treasury. But I do make this point because even though it is drug ingredient costs we are discussing, pharmacists could do far more for the health service in primary care if allowed and if paid to do so, because it is primary health care that we are discussing this afternoon.

So I would say, yes, we have these high costs in one major element of primary health care, drugs, but it would be very foolish to look at this in isolation. It is in the context of the overall healthcare costs to the health service that we should be looking at this issue. These primary healthcare costs, spending money in the community in other words, can actually save

money in the long term in overall health costs. For example, a prescription antibiotic costing way above the average that is shown of £11.50, say, £40 to £50 for a five-day course, and you can take it from me that that is not particularly unusual, that, while high, can prevent a patient from being admitted to hospital with pneumonia at a daily cost to the NHS of, what is it, £800 a day to stay in Noble's. So this is the context for where I would put the case for value for money and cost-effectiveness.

Yes, modern drug treatments can be expensive, are increasingly expensive, as the department says, at a rate which is significantly greater than the rate of increase in the general retail price index, but there is a danger, and there have been some signs of it, one or two so far, a danger of overreacting. It is the price that we pay for primary health care. Why get particularly hysterical annually over these costs? Is it because the sum is large? We can and do pay for our overall health care in two different ways, not only in hospital services, but also by spending money in the community. The drug costs we are concerned about this afternoon do have the potential to avoid even higher costs of patient care further down the line. Now, having said that the department is right to be concerned and right to encourage generic prescribing by doctors and cost-effective prescribing. Prescribing three or four-month supplies of drugs has been shown time and time again to be highly wasteful of NHS resources.

I noted the other day a community pharmacy in England which achieved an individual drug ingredient cost of £5 which is some £4 less than the English national average and this was because local GPs only prescribed low-cost generic drugs at no more than 28-day course supplies, and this shows what can be achieved because not only are there clear benefits to the NHS but less pressure on dispensing margins, allowing other professional activities and primary care to be carried out, and we must hope and assume anyway, in that particular case, with no loss of clinical benefit to the patient, given what I just said about the effectiveness of more expensive drugs.

There are two other final points I wish to make. The explanatory memorandum in paragraph 5 needs some explanation. It says that the forecast for the total drug-related expenditure is £9,623,000 which is £1,250,000 more than budget and that latter sum of course is the one we are being asked to approve today. Are we really saying that the forecast for 1997-98 by the department for its drug budget was only £8,373,000? Because that is, according to appendix A, £180,000 less than the drug bill for 1996-97, the previous year. Considering that 1996-97 was 8 per cent higher than the year before, which in turn was nearly 5 per cent higher than the year before that, are we really saying that the department had forecast a decrease? Now, unless I have missed something, the minister can perhaps explain that curiosity.

My last point relates to the question of prescription charges which the hon. member Mr Braidwood referred to and which paragraphs 8 to 11 talk about. Now, the department is quite correct to say that charges are only a very limited part of the solution because when we analyse the tables in appendix A the income from charges 10 years ago represented only under 5 per cent of the total cost. Ten years later, in 1996, even with the increases in prescription charges over that time the contribution has actually fallen to 2<sup>1</sup>/<sub>2</sub> per cent of the total cost. So when we talk about prescription charges, and the department certainly have not been going over the top in talking about prescription charges but certainly politicians do talk about prescription charges as if this is going to make some significant difference to the

problem, given the history of what the charges actually contribute we really have to ask what are they for. Are they to raise income? If they are, then clearly we have to make them very, very much higher. Is the idea to stop people visiting the doctor and so cut down the number of prescriptions? Now, that will certainly happen if we put charges up to the level they need to be to make any meaningful contribution to NHS income. Is that really what we want to do? Do we want to deter the public from primary healthcare in this way?

We could double the £2.15 prescription charge tomorrow, in fact we could make it double what it is currently in the United Kingdom and take it to £12 per item, if you like, but it does not take a mathematical genius to work out that if we are now at only 12 per cent who are actually paying the charges, then the £1.2 million that a £12 charge would bring in is still only going to be one seventh of the total drugs bill. So anything we do with charges is only nibbling at the margins of the problem.

So I have one or two suggestions. I would certainly make a start with the system of exemption that we operate in the Isle of Man. Unlike the United Kingdom where the patient has to sign the back of the prescription form in a self-certification system, which Mr Braidwood brought to our notice, here it is up to the prescriber to put a cross in a box if the patient is liable to charges. Now, many doctors do not see this as their responsibility, to determine if patients are on a particular social security benefit; some simply forget to tick the box and some do not tick it at all. This could be why our 88 per cent exemption rate is, I do not know exactly how much, certainly several percentage points higher than the UK and it is time we looked at moving to the UK system of self-certification by patients.

Now, in the UK the exemption criteria for that system is currently being reviewed and notwithstanding what the minister has said, that there is no wish here to review the exemption criteria, I would suggest that the department's officers, who I know are in frequent contact with their UK counterparts, I would certainly recommend them, if there are to be any changes, not to have a different set of exemption criteria from the UK because this can lead to untold confusion on the part of patients moving between the two islands.

So in conclusion, we should support this motion from the minister, not in a grudging sense of resenting the drugs bill, but recognising that it is an important element of patient care, potentially avoiding even more expensive hospital care in the future. It is the price we pay for medical advances. At the same time we must drive home the message, and the department I know has got this on board, of cost-effective prescribing, generic prescribing, and more realistic periods of treatment to avoid waste and bring down the overall cost. Thank you, Mr President.

**Mrs Hannan:** I do not want to repeat anything that the previous two members have said and I would not have spoken on this today except that I heard a programme this morning on the radio and they talked about drugs and in a similar way to the way the member has expressed his knowledge, I suppose, and understanding of the matter.

I just wanted to say that I will be supporting the resolution before us, but in a way we can talk about generic drugs, we can talk about that, but generic drugs tend to be older drugs, they tend to be drugs that are out of copyright, or whatever the term is, but the newer drugs, the ones that are in copyright, the ones that are named, the ones that cost more, are the drugs that have been improved over the years, they have improved on the older drugs and therefore

they are able to assist the people in the community, and this particular programme dealt with care in the community and mental health problems and it covered the area of people not taking drugs because it upset them. The side effects of drugs were so awful in these older drugs that were being used and obviously they were being used for a purpose, cost, and other aspects and people were not using them. So they were not getting the benefit of the older generic drugs but the newer drugs were giving a much better response. The people were taking them, their health improved and simply because of that the quality of their life was improved, and I just wanted to share that with members today, that it is something that I have not really given an awful lot of thought to over the last four or five years when expressing concern about the value of pharmaceutical drugs and the savings that should be made and could be made.

Yes, we have seen increases in prescription charges over the last number of years but it has helped people to stay in the community. It has helped people not to have health problems, so their quality of life has been better, their existence has been better. They have had less hospital admissions and although they had visited the doctor and although they had visited the pharmacist and in some cases they will have paid for their drugs - these are people who obviously are not of pension age and the like - the quality of their life, because people are living longer, is better and therefore we are able to make savings in other areas.

So I just wanted to share that with members because I think it is probably not just in mental health that these improvements have been made but other areas of healthcare where they might be aiding people so that they do not have some of the chronic diseases in the future and some of the very intensive care that people might need because their life deteriorates in such a chronic way.

But the other area, if I could just mention something that the member for Garff made comment on, was long-term prescriptions. He was suggesting that they did not save money because you might have a prescription for three months and then it did not suit you so you went back to the doctor and you got another prescription and you were left with one or two or three months' supply of drugs. I am sure most prescribers these days would not prescribe something new like that straight off. A long-term prescription would be drugs that people have had in the past and I think moneys can be saved in that way. Short-term prescriptions do make returns to pharmacists greater, so you have to get the balance. There has to be a balance of the supply of drugs to the patient and also the returns to the pharmacist, but if you have short term, the pharmacist gets a greater return, if you have long term the pharmacist gets less return. You have to balance the savings that can be made, so I do not think there is any short-term or immediate answer to that particular difficulty.

The reason why I got up to support this was that I am concerned that we should for ever be saying that some of the drugs that are prescribed are going to be generic when I think that in certain instances some of the newer drugs do act in a much better way and while they are still in copyright, or whatever the term is, they do cost more. So I would hope that members will support this and support healthcare in the community and try and get people out of hospitals and keep them out of hospitals.

**Mr Karran:** Eaghtyrane, as the member for health I would be delighted to be able to say we did not need this supplementary vote and I could spend a million, a million and a quarter just like that on different services. There is a number of services that need it and some that

would have a direct consequence to this vote here today, such as the likes of homoeopathic medicines and maybe providing that sort of service within the health service. That is something that I would like to look at and would have an effect as far as the drugs bill is concerned.

But it does annoy me that people think that we just revel in this idea that we want to come back every year with this proposal, that somehow we want to get flogged. The fact of the matter is that we have little or no control over the illness rates within this Island, and it is all right us deluding ourselves that somehow this is a disgrace that it is an annual thing.

I believe that the points that the hon. member for Ramsey made are very good points, and the member for Garff, and I have got a lot of time for what they have said, and I find myself in the awkward position where you see you have a situation where you have got your Value-for-Money Committee with a fixation over prescription charges when some of the issues that have been raised should be implemented, but the only problem is my poor minister, if she does try to do that, you lot will all be at her throat because of the unpopularity of those proposals. For example, if I had my way, there would be a two-tier prescription. There would be a seven-day prescription and there would be the full prescription. So often we have a situation where people get given a large amount of stuff, and to be fair to the hon. member for Peel, there have been policy moves to try and get it cut down, the length of the amount that is given in single prescriptions and we try to bring it down, but it is very difficult to put any sort of controls on the GPs, especially when some of them brag that they do not even tick the form because they do not believe they should have to tick the form, and they act in such an irresponsible way and brag about it.

I mean, it is all right being told by the hon. members for Ramsey and Garff, I would like to see, as member for health, a two-tier prescription. I know myself personally, when I have been given hundreds of steroids at one time that -

**Mr Houghton:** Six months.

**Mr Karran:** - I could make a fortune down at the NSC, that is to say, flogging them!  
(Laughter)

**Mr Cretney:** No, we're drug-free down there.

**Mr Karran:** And the point is that it is all right when you are on them long term but short term you could have had a situation where hundreds of these, admittedly not very expensive drugs, would have just been thrown in the bin. But what will happen if we come along and bring in a two-tier system where you come along with one from the doctor and you get a week's supply and you have to come back for the rest of your prescription is that there will be hell to pay with the pharmacies. They will be wanting more money for doing it. They will be complaining about that.

We hear a lot about generic prescribing. One of the reasons why I have been trying to get us to promote this homoeopathic medicines is there is an argument there are some very cheap alternatives in that sort of field of medicine, but I am afraid the problem you have got there is that the medical mafia do not want to see anything done on that front.

It is all right members talking about we should not use generic drugs because of this and because of that but the biggest problem you have got is what is fact and what is fiction when

we talk about the different drugs? We are talking about a multi-million pound industry who have very persuasive PR amounts of money as far as their drugs are concerned.

All I would say to this hon. Court is we want to cut down the overspend on the thing and we have a lot of sympathy with the hon. member for Ramsey with his hole in his bucket because it is quite true, there is a hole in the bucket, not just in my department, but in many departments.

But if we do come up with the initiatives, then I do hope this hon. Court will not do a runner, as it seems to have done a runner on a number of other things, and I am glad to see that members in this hon. Court recognise that the answer to the costs in the pharmaceutical industry is not simply a matter of doubling or trebling the prescription charge, it is looking at the other issues which will have an effect on the professionals, on the GPs, on the pharmacists, and I hope that this Court will have the backbone to support my minister when we take them on. I hope we do take them on and you might see the efficiencies that you want, but we will have to wait and see, but it will cause an awful lot of agro if we do do these proposals that we would like to do and I hope this hon. Court supports us if we do get the clearance from the Council of Ministers to go down that road.

**Mrs Crowe:** I will be supporting the minister's resolution today but, just by way of another helpful suggestion, could I ask the minister if the DHSS have any plans to implement numbered prescription pads? This will not only provide a degree of traceability for non-generic prescribing but it will be also of great benefit for auditing purposes and therefore the detection of fraud within the industry.

**Mr Cannan:** Mr President, I will be supporting this but I would ask members to consider that we have a duty of care to the sick in our community and those who are sick want to get cured and they want the best drugs, and medical science is improving all the time which is giving us better drugs and drugs which give us greater longevity. We are all, hopefully, wanting to live longer. It is a fact of life. A senior medical doctor told me the other day that in the current culture nobody wants to die, everybody wants to live for ever, and of course the drugs bill is going to get better and are we to deny them? There may be abuses, but I would rather see a small abuse of the drug system than somebody who was really sick and in need of proper drugs somehow having them cut down because there was an economy campaign.

**Several Members:** Hear, hear.

**Mr Lowey:** Very briefly, Mr President, I too will be rising to support the minister. I do not think we ought to be apologising for the amount of our national product that we spend on the sick and this money is going to the sick, and the minister has quite clearly spelt out she has run out of money and she needs this money to actually see her through to the end of this financial year.

So, yes, while there are margins, I am delighted that the hon. member for Garff, Mr Rodan, has actually spelt out what I call the myth of charging. By the time you have got your administration charges, that is reduced even further and so really we are talking on margins. So I do not think the answer lies there. There are economies. I am sure they are being addressed all the time.

My only question, why I am on my feet, is to ask the minister. She did signpost last year for us when she came for a supplementary, and I do not care whether it is annual or not, but she did signpost the fact that (a) she had a drugs co-ordinator in place and that was going to help. Now, if that is the case perhaps she could give us a progress report on how that appointment has assisted her and her department. She might very well tell me that instead of coming for £1<sup>1</sup>/<sub>4</sub> million, she might have been coming for £1<sup>3</sup>/<sub>4</sub> million. I hope so. But I do think that we ought to be told has it been a success or has it not and therefore I look forward to her reply on that, but I will be supporting it and urging the Court to give the minister unanimous support.

**Mr Cretney:** Hear, hear.

**Mr Cannan:** Absolutely.

**Mr Corkill:** Mr President, as the third pharmacist to stand up and speak today I did not want to be left out, but I will be brief and the reason I rise is that I obviously support this motion, it has Treasury concurrence, and I would hope that my colleague the hon. member for Ramsey, Mr Singer, would change his mind about the way he said he wants to lodge a protest vote. The reality is that a vote such as that, if carried in this hon. Court, would mean that the department could no longer issue prescriptions, probably from the end of this month or thereabouts, and that is a totally unrealistic situation, an unrealistic way to vote, in my opinion. So I hope he would reconsider in the time between now and when the vote is taken that the reality is that the people in the community need these drugs. This is today's cost and the cost will have to be met. That is a view.

Other things have been said about the charges. I do not personally believe that raising charges actually has much impact on the actual level of the drugs bill and in fact we have got an example with our near neighbours, the United Kingdom, who did try that and have that higher level of prescription charge and they have exactly the same trend in their prescribing costs as we have. So the problem, as has been elucidated, is much deeper than just one of charges.

The hon. minister, in moving the motion, I know, wants to know the views of this hon. Court and of the individual members in terms of how to frame a policy for the future which will attack this problem of the ever-growing cost without all the downside of denying people the treatments that they deserve, and I do know, and I think it is unfair criticism from the hon. member for Ramsey, that the hon. minister has made great attempts to reduce this figure, encouraged quite strongly, I can say, by Treasury in the time that I have been Treasury minister and I know before that, because it is a figure that jumps out of the estimates figures every year because it grows at such an alarming rate, and therefore I do know there have been strenuous efforts to attack the problem. But unless there is a political will within this Court, then the department is powerless to address it and the cost will carry on rising the way it is.

I have a view that the Isle of Man should have its own formulary. This is a personal view. I think that the way which drugs are prescribed to the community can be standardised to an extent without detriment to the patient and therefore there is some cost-saving in doing that, and there is also another element relating to that which is that the value and cost of drugs supplied to our hospital is a different level to that supplied to community pharmacists and very

often it is a sales ploy by the pharmaceutical industry to do that because when the prescribed drugs are then prescribed in the community as a follow-up from hospital treatment, that is where the profit to the drug companies occurs and so when looking at the prescribing in total, I do hope that the department will look at the value and the cost of drug treatment from the source in the hospital right through to the community and not keep the two areas separate because what seems perhaps good value in the hospital may well not be good value out in the community, and I think that is an important area where the profits of the pharmaceutical industry, for instance, can be attacked perhaps to our Island's interest rather than to the pharmaceutical companies' interest.

They were the only points that I wanted to raise that have not already been raised but I do hope the hon. member for Ramsey appreciates that his vote, if successful, if it was followed by other members, would mean that no prescriptions would be issued, and obviously that would be intolerable and I ask him to reconsider his vote.

**The President:** The minister to reply.

**Mrs Christian:** Thank you, Mr President. I am grateful to members for making a contribution to this debate because the department seriously did not simply want to come, ask for more money, have it agreed and just gone through on the nod. We wanted to get feedback from members as to their understanding and their view on this particular issue.

Can I deal with some specific items very quickly? We will be introducing self-certification, we will be introducing numbered pads. That is now the determined policy of the department.

Generic prescribing is, as the hon. member Mr Braidwood has indicated, being tackled.

But I would also ask members to note the difference in approach from the various pharmacists who have spoken today and I am grateful to the hon. member for Garff for his rounded view of the situation.

**Mr Cretney:** Hear, hear.

**Mrs Christian:** I accept Mr Singer has always expressed an interest in what the department is doing to try and control what might be regarded as areas of waste, and his impatience with the way we are doing it is clearly manifest today. However, I think that the department is taking appropriate steps to address areas of waste and it has perhaps been demonstrated today that even in tackling those areas, elements which are wasteful are insignificant in relation to the overall drugs budget.

The hon. member for Ramsey referred to the DoLGE dump campaign and a view which was expressed by DoLGE as to a rough estimate of what that was worth. I do not want to get into a discussion here particularly between departments but we have analysed that dump of drugs through the pharmacists and the drugs which are sent for incineration from pharmacists on a constant basis and that has given us a measure of the waste which is not perhaps as high as DoLGE might have felt it might be. However, that is only one dump campaign and does not necessarily reflect the drugs which may be sitting still in people's cabinets.

What is important, I think, is that we do take a rounded view of all of this and again I am grateful to the hon. member Mrs Hannan for her comments. We do not bring this to the Court because we are knocking the prescribing of drugs. We are aware of areas of concern but generally speaking it is acknowledged by the department, on the basis of what our

pharmaceutical adviser has presented to us in various reports, that the vast majority of prescribing is entirely appropriate and cost-effective, and I would accept too the comments of Mrs Hannan that generic prescribing is not of itself the only answer. There are new drugs which are coming onto the market which may be more expensive but which are most effective and the policy of the department is to try and focus on what is effective and beneficial prescribing. We obviously have an eye to the costs but we are not simply cost-driven in relation to individual drugs. We have to bear in mind the effects of those and the optimum effect for the patient.

The hon. member for Garff I think asked about hospital prescribing and the hospitals' budget is set out in paragraph 4 of the explanatory memorandum. That particular budget is anticipated to be overspent by £115,000.

He has referred to statistics which he has circulated and he has too referred to the effect on small pharmacies and so on. All of these issues are of concern to the department in driving forward a policy which gives at the end of the day, we hope, the best service to the patients.

The question about how we are budgeting for this on an annual basis - he has indicated that the department appears to be chasing its tail in terms of the numbers that are going into our budget, and that is why I drew attention to paragraph 12 of the memorandum in indicating that although the Treasury has given us an indication of what extra funding we will get this year, we have to acknowledge that a considerable element of that will on next year's basis have to be added to our drugs allocation and then on top of that we are going to have to anticipate an element of further inflation which will have to be accommodated. So whether or not that can be accommodated with additional funding or from the allocation we have currently been given remains to be a matter which will be discussed between Treasury and the department when they are formulating the budget. But it is a significant number in terms of the moneys which are available to us for other services and whilst I fully acknowledge that much of this spending is cost-effective in terms of keeping people out of hospital and more expensive services, it still does have a significant impact on our overall ability to provide services across the board.

The hon. member of the Council referred to our pharmaceutical adviser and asked whether or not her appointment has been a success. I think in terms of what has happened since she has been appointed, there is now somebody who is driving this effort to try and effect savings. We have established a hospital formulary now. The hospital formulary is set there to guide hospital consultants in what they prescribe. That formulary is, I understand, being circulated to GPs so they understand what hospitals are doing and so that we are aiming to get better co-operation between primary care and hospital care, to get a better working relationship between pharmacists and doctors, because each of those professions has a different view on how we might best provide the service.

We are working, as you know, on these areas of repeat prescriptions and so on. We are concerned about increasing the generic prescription levels. We are concerned about eliminating fraud. All of these areas are being worked upon. We have introduced, we have purchased the EPACT system which allows our pharmaceutical adviser to visit GPs. Unfortunately this has crashed at the moment but that is the -

**Mr Singer:** The adviser or the machine?

**Mrs Christian:** I will ignore the hon. member for Ramsey's remarks in terms of the adviser. The system has crashed, but it is a very useful tool for GPs in setting out an analysis of their prescribing patterns and assists them in future prescribing patterns. We have a rolling programme of computerisation in the GP practices which in itself will allow us to put information onto computer which makes access to the information for GPs perhaps easier.

All of these things are going on. We are tackling repeat prescribing, rational prescribing, in terms of what gives the best result rather than necessarily being either generic or expensive. All of things are being worked upon. The hon. member for Ramsey has his view as to whether or not that has been most effective, and he is entitled to it, but I am grateful to other pharmacists and other members who have recognised that this is not a simple issue, it is a complex issue with a whole matrix of influences, and I ask hon. members to recognise that complexity, to recognise that on the basis of past trends, this growth is likely to continue and to recognise that that will have implications both for the other services which we provide and for other departments, depending on the total pot of money which is available to government. I would ask members today to support this resolution so that prescribing to our constituents can continue.

**The President:** Hon. members, I will put the resolution standing at item 9 on the order paper. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

#### **Care Facilities In Peel - Construction - Expenditure Approved**

**The President:** Item 10, construction of care facilities, the Minister for Health.

**Mrs Christian:** Mr President, I beg to move:

*That Tynwald approves of the Department of Health and Social Security incurring expenditure not exceeding £691,300 for the construction of care facilities in Peel.*

The department's strategy for health and community services approved by the Court in July 1991 identified the need to provide community-based services throughout the Island for older people and those with disabilities. One of the objectives of the strategy is to provide care services for people in the locality in which they live and provide support to clients and carers, to enable people to remain within their own homes.

Since 1991 the department have been pursuing this objective and have developed respite care facilities in the department's four residential homes for older people. In addition, day-care services have been developed in partnership with Age Concern at Onchan, Ramsey and in Douglas. My department's residential homes for older people are now operating more flexibly than in the past and are providing bathing facilities, more specialised day care, and where necessary provide meals to older people living near the homes. The home care service has also developed from purely providing a housekeeping and shopping service to now providing personal care for clients in their homes.

This policy of providing care in the community for older people has been very successful in offering an alternative to residential care and has resulted in many older people being able to continue to live at home for longer than had been hitherto the case.

In developing community care services the west of the Island remains the one major population area not to have any day or respite care. The department proposes to develop on the site of the Corrin Home in Peel a free-place respite care facility for older people. This will

be built as an extension to the Corrin Home and we hope to have a 12-place day-care facility which will be built in the grounds of the home. It is also planned to incorporate into the day-care unit accommodation for community-based health and social services staff as office space.

The Corrin Home is a voluntary home for older people in Peel. The trustees of the home have agreed to the proposed development taking place and the Chancery Court have given approval to the scheme. The trustees of the home will convey to the department, provided that this hon. Court approves the scheme, the land upon which the day-care unit is to be built. We will build a small extension to the home to accommodate the three respite beds and the home will then arrange to operate them through a service contract with the department.

In a similar way to residential care provided for all old people, a charge will be made by the department for the care provided but following the usual means-tested assessment, they will either have to pay for themselves or may be funded by social security benefits.

We would propose that Age Concern will manage and operate the day-care unit as they do in Ramsey and Douglas.

The cost of providing this service and the associated cost of running the building is some £66,000. The total revenue implications of the scheme are therefore £96,000 per year.

This development will greatly enhance the support available to older people and their carers in the west of the Island and will have a significant impact in enabling older people to stay at home and improve their quality of life. I would recommend the motion to hon. members.

**Mr Houghton:** Mr President, I beg to second and reserve my remarks.

**Mrs Hannan:** Eaghtyrane, I would just like to thank the Department of Health and Social Security for their support of this particular development in Peel. It is a major step forward in care of the elderly in the community. It will be welcomed by a lot of people and it will give added confidence to the community to see that they are getting something which is very worthwhile in the community to support not only the elderly in the community but also all ages in the community, so I welcome it and I would hope hon. members of this Court would also support it.

**Mr Lowey:** Could I just say I rise to support it and having been in Peel over the Christmas and the announcement had just been made, how much it was welcomed by the people in the Corrin Home itself and the people in Peel. This is a red-letter day and I am certain, as the hon. member for Peel has said, it will be greatly welcomed by everybody in the west of the Island and this is what it is about, spreading what I would call the care in the community to the community. I would urge members to give it unanimous support.

**The Lord Bishop:** Mr President, just a word as patron of Age Concern and the relationships which we already have with the department in other areas of the Island in care in the community speak highly of this venture and I commend it to you as something that has been successful in other areas and I am sure will be so in Peel.

**Mr Waft:** Mr President, I wonder if the minister, whilst I fully appreciate what she is trying to do in Peel and I think everyone will be behind this legislation and the funds that will be approved, I am sure, today, could agree with me that there is a need for psychiatric services in

the community in the west of the Island? There are very few, if any at all, in the west of the Island and it is long overdue that there should be some either drop-in facilities or some residential care facilities for those who are psychiatrically ill, in a rehabilitation situation. Thank you, Mr President.

**The President:** Reply, minister.

**Mrs Christian:** Mr President, I am grateful to hon. members for the indication of support for this particular facility, and in responding to the hon. member Mr Waft, I recognise that it is preferable that psychiatric facilities be available close to the community and on a drop-in basis and I am quite sure that when we have a facility there we will be examining whether or not it is possible to extend this service to a drop-in facility in Peel.

**The President:** Hon. members, I will put the resolution standing at item 10 on the order paper. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

**Definite Matter Of Urgent Public Importance - Leave Granted  
- Financial Legislation And Regulation - Review -  
Statement By The Chief Minister - Motion Carried**

**The President:** Now, hon. members, standing order 2.8 provides that written notice of a motion for the immediate discussion of a definite matter of urgent public importance must be given to the President and if the member who is giving notice is supported by four other members rising, no amendment or debate being allowed, such motion shall, with the leave of Tynwald, take precedence over any other business. Hon. members, I have received written notice to that effect from the hon. member for Garff, Mr Rodan, and if four other members will stand in company with the hon. member.

*Four members stood in their places.*

**The President:** I have four. Fine, thank you very much. That complies with the standing order. Now, Tynwald will give its leave to take the motion which is, I understand, circulated to hon. members.

**The Speaker:** Not yet, sir.

**The President:** Well, will you circulate it, please? In that case, hon. members, my apologies to the Court but I understood that this motion was in your possession and it will now be circulated to you and we have taken the first stage and the next is for the leave of the Court to take this resolution in precedence over any other business.

Now, hon. members, is the Court prepared to give leave to the hon. member for Garff to proceed with his resolution? Is that agreed?

**Mrs Hannan:** No.

**Mr Brown:** Vote.

**The President:** In which case I will have to ascertain the wishes of the Court and those in favour of giving leave and those against giving leave. My advice from the learned Clerk is that, if supported by four members, such a motion can go through without further permission to debate. However, my standing order says, 'shall, with the leave of Tynwald, take precedence over any other business', and that is the point I was trying to make, that the leave of Tynwald to let it take precedence over any other business should be ascertained at this stage. I asked

Tynwald, the reaction seemed to be favourable and then there was a negative response, and to overcome that position I am going to ask the learned Clerk to ask for those in favour of this resolution to register their support and those against to equally indicate their dissent. Will you take a roll-call on this one, learned Clerk, please?

*Voting resulted as follows:*

*In the Keys -*

*For: Messrs Cannan, Rodan, North, Houghton, Crowe, Cretney, Duggan, Braidwood, Mrs Cannell, Messrs Shimmin, Downie, Singer, Bell, Kniveton, Gelling and the Speaker - 16*

*Against: Mr Gilbey, Sir Miles Walker, Mrs Crowe, Mr Brown, Mrs Hannan, Mr Corkill - 6*

**The Speaker:** Mr President, the motion carries in the House with 16 votes being cast for and 6 against.

*In the Council -*

*For: The Lord Bishop, Messrs Lowey, Barton, Waft, Dr Mann, Mr Luft and Mrs Christian - 7*

*Against: Mr Radcliffe - 1*

**The President:** In the Council, hon. members, 7 votes being cast in favour and 1 vote against, the resolution carries. The hon. member for Garff.

**Mr Rodan:** Thank you, Mr President. May I start by thanking this hon. Court for leave to speak to this motion which has been circulated:

*That the Chief Minister make an immediate statement at this sitting on*

- (i) the announcement of the UK Secretary of State for the Home Department of a review of the financial legislation and regulatory system in the Isle of Man; and*
- (ii) the participation of the Isle of Man Government in that review.*

I did not bring this motion before this Court for any frivolous reasons or in any way to try to embarrass the Chief Minister but we noted this afternoon, at the conclusion of our hour-long debate on eggs, that there arrived on our desks a letter from the Chief Minister, a copy of a statement from the Home Secretary and a copy of a press release, the content of which I believe should give the utmost concern to hon. members and concern for two main reasons: first of all the announcement by the Home Secretary this afternoon that there is to be a review of financial legislation and regulatory systems in the Crown dependencies, and the second area of concern is the method of response by the Council of Ministers. In his letter to us the Chief Minister says that he will make himself available in the committee room on the third floor of government office immediately after the conclusion of today's sittings to give further information to members. A development of such fundamental importance and constitutional implications for the Isle of Man, unfolding indeed while this hon. Tynwald Court is actually sitting, warrants nothing less than a statement to this Court.

I welcome the Chief Minister sending a copy to us of the press release so promptly, but quite honestly the first step in a situation like this would be to tell the Court what exactly is going on and what has prompted this press release.

Now, I do not want to talk up what might be going on. We do not know exactly what is going on and I certainly do not want to be accused of sending out wrong signals. But it does seem to me, on reading the Home Secretary's statement, that we are being asked to agree to an investigation, to take part jointly in an investigation of our internal legislation, our own internal systems and procedures and our own arrangements, to assist in passing confidential information to outside authorities.

One might ask how deep is this investigation going to be? Is it going to require the submission of files from the FSC for example? Is it going to require investigations within Treasury and within government departments? I do feel that it calls into question at least the so-called independence of the Isle of Man as an offshore finance centre. I would put it no more strongly than that it calls into question our independence.

This Island's government is being required to take part in an internal review. The word 'invited' is used but I believe we are being required. The British Government can conduct any review it likes on any subject it likes at any time, but in this instance the Home Secretary has invited the Home Office -

**Mr Brown:** Why don't you let him make the statement?

**Mr Rodan:** - and the authorities of this Island and the Channel Islands to carry out jointly a review of financial legislation and our own systems. We are being told to conduct a review of ourselves.

**Mrs Hannan:** A point of order, Eaghtyrane. I thought the reason why this motion was being moved was to ask the Chief Minister to make a statement, (**A Member:** Hear, hear.) not the member for Garff to put his inference on the statement before it is made. Surely questions would be asked after the statement.

**Members:** Hear, hear.

**The President:** The hon. member has made a point of order that frankly is not a point of order and the hon. member for Garff can proceed.

**Mr Rodan:** Thank you, Mr President. In seeking to give reasons as to why the Chief Minister should make a statement, I would have thought it was perfectly valid to draw attention to the statement of the Home Secretary and the implications of it and to draw attention to why a statement would be more beneficial to this Court than an invitation to meet in a committee room on the third floor of government office. (**A Member:** Hear, hear.) That was merely what I was trying to achieve.

In relation to the question of being invited to conduct a review of ourselves, in his statement can the Chief Minister please refer to the legality of us being required to be partners in a joint review with the British Government? We know at the end of the day and always at the back of our minds is the fact that the UK has full authority in the interests of good government to ensure that it can legislate on our behalf. That is the ultimate, and my concern is that we do not reach that stage.

In conclusion the content of the news this afternoon raises issues of such fundamental importance, constitutional importance, and is of such urgent public concern that the manner of dealing with this requires a statement to this Court by our Chief Minister, especially when he says that he and the Treasury Minister welcome the review that is to take place.

**Mr Cannan:** Mr President, I beg to second the motion as put by the member for Garff. I commend him for bringing this to the notice of the Court. I am only sorry that the Chief Minister, in giving us this information, did not choose himself, without being prompted by the Court, to make a statement. I think it was probably discourteous to say 'immediately after the conclusion of the Tynwald sitting today'. The matter is so important that it should have a statement to the Court in public and questions answered in public by hon. members. There are fundamental constitutional issues here that require a public answer and on that basis I am pleased to support the motion of the hon. member for Garff.

**Sir Miles Walker:** Mr President, I view the situation as gravely as the hon. member who moved the resolution, I have to say, but I did not think that the best way to deal with the situation was to ask the Chief Minister to make a statement this afternoon within a very short time of receiving whatever information he has. It seemed to me that this Court would be much better served with a comprehensive statement perhaps tomorrow morning after the Chief Minister and his advisers and the Council of Ministers had had some time to consider the situation and the implications of it.

I welcome the information we have so far and I thought that the invitation to seek an audience, whatever the expression is, to seek a meeting with the Chief Minister this evening to see if any further information was available was a generous one and should be accepted by this hon. Court as such. (**Mr Gilbey:** Hear, hear.) If the Chief Minister is going to make a statement now, fine. I repeat what I said before, though: I think it would be much more useful tomorrow morning after he has had some time to consider the situation and some of the implications perhaps within it.

**Mr Lowey:** Can I just say, really following on from what the hon. member Sir Miles said, from Rushen, perhaps the Chief Minister in reply could tell us when he actually got word. Was he aware that this statement was going to be made or a statement was going to be made affecting the Isle of Man? If that is the case, then perhaps we should know when he received it, when we got the letter, which I think was pretty prompt and it is pretty full, but we have already got a press release out from the Chief Minister announcing to the Isle of Man that we were going to get it later on tonight. I think on reflection perhaps that was not the best move, but however I am quite happy to perhaps leave it until tomorrow before we actually do it, but I do think perhaps we should know when we received it or were we expecting some report? We might be. We might have been in consultation. I have no idea. Perhaps the Chief Minister might be able to help the Court along those lines.

**The President:** I wonder if I could pose a direct question to the Chief Minister which would help the Court in this matter? Chief Minister, would you be in a position, say, in half an hour to make such a statement?

**Mr Gelling:** I will make it now, sir.

**A Member:** Hear, hear.

**The President:** Thank you. That is the answer then.

**Mr Lowey:** Thank you.

**The President:** Does any other hon. member wish to speak? In which case, reply.

**Mr Rodan:** Thank you, Mr President. Can I sincerely thank the Chief Minister for his readiness to make a statement to this hon. Court at this time. I think it is important that he does so and I would say in response to the hon. member for Rushen, Sir Miles Walker, how important does an unfolding situation have to be to warrant a statement by the Chief Minister to Tynwald when it is sitting? It does seem to me that this situation is of fundamental importance to the long-term health constitutionally and financially of this Island. I thank the Chief Minister for his willingness to make a statement to this Court.

**The President:** Hon. members, I will put the resolution which is 'That the Chief Minister make an immediate statement at this sitting on (i) the announcement of the United Kingdom Secretary of State for the Home Department of a review of financial legislation and regulatory system in the Isle of Man; and (ii) the participation of the Isle of Man Government in that review.' That is the resolution. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

### **Financial Legislation And Regulation In Crown Dependencies - Review - Statement By The Chief Minister**

Now, Chief Minister, taking up your offer, sir, would you care to respond?

**Mr Gelling:** Yes, Mr President, at 3.30 this afternoon in the House of Commons, in answer to a question, the Home Secretary announced a review of financial regulations in the Crown dependencies, that is the Isle of Man, Jersey and Guernsey. Now, I have taken the earliest opportunity of bringing the announcement to the attention of members, but I do understand that a number of members would welcome this statement from me on the Home Secretary's announcement and I am pleased therefore to respond to members' wishes.

The terms of reference for the inquiry are set out in full on what the Home Secretary had to say, but members will see they amount to a wide-ranging review of legislative and regulatory arrangements in respect of the financial services industry of the three Crown dependencies.

Whilst this review is not something which we have initiated, and that is an issue where we will register our views with the Home Office, Neither Jersey, Guernsey nor ourselves have any problem with the principle of such a review. In fact it might be as well for the record if I repeat the quotation in the documentation circulated to members. What that quotation says is, and I quote, 'I have discussed the proposed Review with my colleague, Richard Corkill, the Treasury Minister and with the Council of Ministers. We have always welcomed any Review of our legislation and regulatory arrangements and we believe that the outcome will be of considerable value to the Island. We are confident that the Review will show that our legislation and regulatory systems compare favourably with those of other reputable offshore jurisdictions and that the business and trading links between the Island and the United Kingdom are to the benefit of both.'

We will co-operate fully with Mr Andrew Edwards, who has been appointed to conduct the review, but we will be wanting to discuss in some detail with the Home Office and Mr Edwards how the review will be undertaken. A co-operative approach will, I am sure, yield greater benefits than leaving the inquiry to conduct their own researches and reach their own conclusions without the benefit of our input.

We are very happy with the way our financial services industries are regulated and there are a number of benefits which we would see flowing from this review. The inquiry should do a lot to remove misunderstandings and misconceptions about the nature of the Island as an offshore business centre. The Island sometimes get bad press based on a myth that our financial institutions are less well regulated than onshore jurisdictions. This inquiry is an opportunity to dispel that myth. There are some offshore centres in far-off corners of the world which do give rise to genuine concerns about the nature of their business and regulatory regimes. This inquiry is an opportunity for us to draw a clear distinction between the Isle of Man and these other jurisdictions.

No doubt the inquiries will be time-consuming and will involve us in a good deal of work. It is nevertheless an opportunity for us to demonstrate again that we are a responsible and well-regulated jurisdiction.

That would end my statement to members of this hon. Court. However, I would now like to respond perhaps to some of the statements that have been made with regard to the way in which I have dealt with this particular situation.

First of all we were sent a fax yesterday lunch-time to inform us that a question was put down for answer. We spent a great deal of time then researching what that question was, what the answer might be. We then had to consult - I do not say we had to - we wished to consult with the other Crown dependencies as to whether or not and how they were going to respond to this particular answer to the question. This resulted in a meeting being called at the soonest possible time, which was 2 o'clock today at lunch-time, of the Council of Ministers, where the Council could be briefed on the situation with the information we had at that time.

I do not like that position I am quite sure the Council of Ministers did not like that position and I am quite sure this hon. Court will not like that position, but that is something that we will take up with the Home Office. However, the question was put, the question was answered at half-past three this afternoon. We were aware that media attention would immediately come to us in the Isle of Man for a response to this. We wanted to make sure that hon. members of this Court were aware of the situation with the details we had and that was why we distributed to hon. members as soon as we could what that information was, and our response was positive, positive to the review, because we believe our regulations are as good as anything else in the world.

I then said that I would be available, wishing to be at hand to give members what other details I might have to hand as to why it was done in this way and so on. I did not want to interrupt this session of Tynwald until we had perhaps further information as to what in fact did happen in the adjacent isle: was the question actually put, was it answered? And of course we knew fairly soon that it was because the media were actually on to the office.

If the hon. members were not pleased with the way in which we informed them as soon as possible I can only apologise, but it would have been on the other foot if then members had got home and heard it on the radio or on television and they were not aware, so my immediate reaction was that members should be aware of the situation.

I think again something that we must remember is that we do not like the way in which it was done, but nevertheless the United Kingdom does have to answer for us as an island to the international community. We know there have been questions asked about offshore

jurisdictions. It is amazing how, if something happens and the funds are in an offshore jurisdiction, it is announced boldly in the newspapers and yet it is strange how if it is in the City of London in fact it is not. (**Several Members:** Hear, hear.) This is our opportunity to dispel that myth about the regulations in this Island.

I am content to take questions, questions that with the information I have to hand I can answer, but that is the situation as of this time and once again I thought it was important that members should be aware because it was going to attract media attention immediately, and I am sorry if it was felt that it was trying to meet members in a committee room upstairs, as has been said, because I was definitely concerned, as we have already had today and this is the message that I want to go out, because the hon. mover, in actually moving the resolution, immediately said 'an inquiry' and of course I know he immediately then went into 'review', but there is an awful difference. This is a review with our co-operation, not an inquiry by the United Kingdom authorities into our affairs in the Isle of Man.

**Mr Cannan:** Could I ask a question, Mr President, sir? I thank the Chief Minister for making this very full statement on what I perceive to be a very, very important matter and I am confident that it will be handled with extreme care, but the question I ask is twofold.

In view of the detailed answer from the Home Office would it be that the question was a planted question in parliament so as to give the Home Office the opportunity to give this? I cannot believe that these arrangements were made on the basis of some member of parliament just choosing to put down a question. That, however, is a parliamentary matter. So often governments arrange for planted questions to be put so that they can give these type of answers.

Can I ask the Chief Minister how much further have his contacts with the Channel Islands been in relation to this matter and would it not be in the interests of the Isle of Man Government to have close liaison in responses in this, so that the Channel Islands and the Isle of Man cannot be played off one against the other when the gentleman is making his review of legislation? I believe it would be in the interests of the offshore islands that they spoke with one voice rather than at odds with each other.

**Mr Lowey:** Could I just again too thank the Chief Minister for his reply about when he first heard of it and the steps he has taken to get the information to the members. I have no complaint with that, it is just that in my view I think it should have been on the floor as opposed to the letter and then, but that is a matter of detail and I am not going to pursue that or argue with it. It is a matter of judgement and I will take the Chief Minister's thing to get it in our possession.

Having got it in our possession I do share the Chief Minister's view that if this review is going to take place and it is, because they can do what they like, then it is much better for it to be at our speed and with us setting the agenda.

We have nothing to hide. I share the Chief Minister's view on that. I think we are well regulated. We can hold our head high and I believe, contrary to what the hon. member for Michael says, I think it would be a mistake to tie our chariot to all the jurisdictions. (**Members:** Hear, hear.) I think we have to defend our own position on this and I think our record is a good one and we can defend our position. So I would urge the Chief Minister, in his deliberations with the United Kingdom authorities, to look after the Isle of Man's position.

Again I too would suggest that the Chief Minister takes from this Court our support for what I would call the lack of consultation by the United Kingdom authorities with the Island authorities. I do not believe 24 hours' notice to the Chief Minister and Government of the Isle of Man is sufficient, and written parliamentary questions are a device by the government to actually get government business out into the open and their deliberations, and it is a device that is well known. It is not accidental, it is not slipped in at the last minute in response to what I would call a complaint about the Isle of Man's position. This has been coming for a long time and if that is the case, then I do think it is wrong of the United Kingdom authorities to not give the Isle of Man authorities more than 24 hours' notice and I would urge the Chief Minister, when consulting with them, to say that the parliament of the Isle of Man, Tynwald Court, is not amused.

**Mr Gilbey:** Hear, hear.

**Mr Rodan:** Mr President, I too would thank the Chief Minister for his straightforward and helpful statement to this Court. Can I ask whether his office has received an actual invitation as yet? We can take it from the Home Secretary's statement that a review will be conducted. It tells us who it is going to be conducted by. I presume the Home Office have had the courtesy of coinciding an actual invitation with their announcement in the House of Commons to us.

Could I ask the Chief Minister if it is his intention to arrange a further briefing in due course as to the precise nature of the review, the manner in which the Isle of Man will be assisting in this review and to keep members fully informed as to progress? Thank you, Mr President.

**Mr Karran:** Eaghtyrane, I totally agree with the hon. Chief Minister over the issue of the bad publicity, the fact that this Island gets a bad name from those from the adjacent isle, but I do think that this hon. Court has got to see this as what it is going to be. It is going to be a direct threat to the internal control within this Island. They are trying to inflict what they want as an agenda onto this Island. That is what their long-term fishing expedition is about. They are looking at ways to interfere in the internal affairs of this Island.

I totally agree with the stance that you have taken as far as having it open and frank with the adjacent island. I am sick of hearing how our Island is rubbished and misquoted in the adjacent isle by the media when what goes through in a year through this Island in dirty money goes through in less than a day in the City of London, and this is what needs to be put out.

But this Court has got to wise up. It is all right people calling ourselves ministers and this, we have to accept the fact that we have got to get some decent constitutional development. It is an outrage to the people of this Island that we have a situation that we have Royal Assent given on the advice of a foreign government where our people have no input and the sooner this Court sorts this out the better. This and a number of other issues need to be addressed because, do not delude yourselves, this is just a matter of they have gone fishing and at the end of the day their loyalty is to the UK. The mainland, will look after the mainland and we have got to look after our people in this Island and I think we have got to have a severe look at our constitutional development. As I have said before, we are not a county council of Surrey, we are a nation, and I think we have got to realise that this is only the first of many attempts that will be to destabilise this Island, interfere in our internal affairs and I think, Chief Minister, you are going to have to bite the bullet as far as independence is concerned.

I totally agree with the stance you are taking as far as the giving the information is concerned, and helping with this inquiry, if only to clear the good name of this Island but your government is going to have to develop a backbone as far as constitutional development is concerned, because this is going to be the first of many raids into humiliating the Manx people by interfering in the internal affairs of this government, this parliament, that was around long before that lot across the sea ever had one.

**Mrs Cannell:** Mr President, although I would not put what I have to say quite so strongly as the previous speaker, I have to concur with much of what he has said. I too am a little bit concerned about how the Chief Minister has been treated with regard to this, because the hon. member of the Council is correct in that that is how the UK Parliament operate, that they will have known that this was going to be their response to a question which was put down, and I think that ought to be looked into.

What I would like to ask, though, is, looking at the parliamentary question which was posed and the reply, in the second paragraph of the reply it is estimated or expected - this is the review - to take about six months, and its terms of reference and it goes on. I wonder if the Chief Minister, as soon as he knows, if he does not already know, when this is to be started, if he could inform hon. members and how it is to be conducted, because it seems to me, when looking at the objective of the review, there is quite a lot in this and I really cannot envisage it concluding within six months, so I wonder how they are going to base such a review, practically speaking how it is going to work and whether it will be conducted on the Island or whether it will have the implication of officers et cetera having to go off-Island to give evidence or whatever.

On the last page, the end of the first page of the reply, and I must read this out, these are the objectives and it ends 'with a view to assessing the contribution which they make' - this is the Island, the Crown dependency - 'to the economic and social well-being of the islands themselves and of the UK' and the little bit tagged on the end, 'including the UK', worries me somewhat, that we could have a situation here where, although all the way through it is stressed as being a review, it is perhaps a bit of a wolf hiding behind a red cloak here and that it could turn into some kind of unofficial inquiry, which I think is outrageous when we look and we consider what the objectives are, and I think it is possible that the objective is that the UK Government is looking to get more money out of the Crown dependencies, because it feels perhaps that it is not getting its just desserts, and although I think the response in the press statement issued by the Chief Minister is the correct one in that we do not have anything to hide, and I would echo the sentiment of hon. members in that, I nevertheless think that we should be guarded in the approach of the UK Government in this, as I suspect the other two Crown dependencies will be too.

I am very, very concerned over this. I have already asked a question of the Chief Minister in that will he keep us advised and how does he envisage the 'inquiry' might be conducted by the UK Home Office? Thank you, Mr President.

**The President:** Now, Chief Minister, would you wish to respond to some of the points raised perhaps?

**Mr Gelling:** Thank you, Mr President, I think if I can answer the questions, not particularly to the persons who asked them, but generally I have taken a note of the questions that have been put.

I think, first of all, the detail of the planted question which was raised was somewhat answered by the hon. member of the Council because I think it is quite obvious that it was a planted question, so it gave the Home Secretary the opportunity to make his announcement and I am sure that possibly would be the way it was done.

I think then the situation where we were being encouraged to work with Jersey and Guernsey certainly in our response collectively, so that we were familiar with and knowledgeable of. I did in fact, as the day unfolded, finally receive the third version of the response from the Guernsey/Jersey situation, which did change somewhat as the day went on, but basically the last version ends up very, very similar to our own in as much as they believe that such a review would provide an opportunity to demonstrate the islands' policy of being at the forefront of the world's well-regulated financial centres. So basically it is the same message: they do not like the way it was done and they will take that up, but certainly it is not frightening them.

But then taking the other argument that was put forward, we perhaps would not wish that we would be collectively reviewed because I think we are different. We have a different law system in the Isle of Man. I would suggest that our regulations are in advance and so on, so I would very much like it to be individual so that we in the Island would be individually reviewed.

I think also, taking the situation as it was asked by the original mover of the resolution, Mr Rodan, in fact the letter of invitation is dated 19th January, which of course was yesterday. So basically we have been officially invited, and I think in looking at the letter of invitation it brings me nicely into the question posed by the hon. Mrs Cannell, who said how was it going to operate, six months, and it is suggested that the first stage of the review would be largely a paper-based exercise actually carried on in London. So that would be the basis of the first stage of the review, which would be summarising our existing legislation. In other words they do not have to come here, they can have all that legislation sent to them. But then they would obviously come to the Isle of Man and it is put there quite clearly: to look at the systems of regulation that we have in place. In other words, okay, it is all right having the legislation, but have we got the Financial Supervision Commission and the Insurance Authority who are actually doing that regulation? And I think again we can hold our heads up here, because I think they do carry that through and they do regulate, they are there, they are present in the street.

So basically the invitation came yesterday. Not to repeat myself we do not like the way it was done. However, we will take that up with the appropriate division of the UK Government. We are going to co-operate because I think we will be able to, in this case, destroy those myths and perceptions and be able to actually hold ourselves out as being an extremely well-regulated and supervised industry here in the Isle of Man.

Mr President, I thank you for giving me the opportunity to explain a little further and I do again assure hon. members that in no way was I doing other than trying to inform them of this at the soonest possible time and, as I say, this situation that we have now. Again I thank

members for being specific in their questions and not in any way sending out a message of alarm, because I do not think that is the message at all.

**The President:** Chief Minister, it is this Court that is indebted to you for your instantaneous and helpful response to its resolution (**Members:** Hear, hear.) and we are indebted to you for that, sir. Thank you.

**Mr Gelling:** Thank you, Mr President.

**The President:** Hon. members, I see little point in continuing with the order paper (**Mr Gilbey:** Hear, hear.) and with your agreement the suggestion from the chair would be that we now adjourn and meet again tomorrow morning at 10.30. Is that acceptable to hon. members?

**Members:** Agreed.

**The President:** Thank you, hon. members. The Court will now adjourn and the adjournment will be until 10.30 tomorrow morning.

*The Court adjourned at 7 p.m.*