

**REPORT OF PROCEEDINGS OF
HOUSE OF KEYS**

**Douglas, Tuesday, 2nd February 1999
at 10.00 a.m.**

Present:

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 G T Cannell (Onchan); Messrs J R Houghton and R W Henderson (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, Secretary of the House.

The Chaplain took the prayers.

Magistrates – Policy on Appropriate Utilisation – Question by Mr Karran

The Speaker: Hon. members, turning to our order paper and item 1 on the order paper, I call upon the hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I beg to ask the Chief Minister:

- (1) *Does your government have a policy on the appropriate utilisation of magistrates; and*
- (2) *if so, are they being so utilised at present?*

The Speaker: I call upon the Chief Minister to reply.

Mr Gelling: Mr Speaker, the utilisation of the magistrates is not a matter for the government but for the judiciary. The government has, of course, promoted legislation which allows for and empowers magistrates, but it would be quite wrong for the Executive to interfere in judicial matters and seek to dictate the allocation of work between the different parts of the judiciary.

Mr Karran: Vainstyr Loayreyder, would the Chief Minister not agree that the effectiveness of the magistrates is being affected in the way that they are not being used sufficiently, and I think that it needs to be looked at?

Mr Gelling: Yes, Mr Speaker, in many ways the position should be a source, I suppose, of satisfaction, reflecting either the efficiency by the senior judiciary in the work in which they are now getting through. However, I can inform hon. members that the discontent is known to the deemsters and they are trying to relocate some of the work down to the High Bailiff's, which in turn should decant some of that work then down to the magistrates, but they are aware of the situation.

Mr Karran: Vainstyr Loayreyder, would the Chief Minister not also agree, if this is the case, that the time is long overdue for a review of the penal system in the Island with representation from all walks of life?

Mr Gelling: Mr Speaker, I am aware that our First Deemster is looking at this whole situation with regard to work load on magistrates and, of course, the hon. member has now moved into a much wider area, but this is something I would suggest that we would have to consider, sir.

**Financial Supervision Commission – Mutual Assistance Agreements –
Question by Mrs Cannell**

The Speaker: Item 2, hon. members, and I call upon the hon. member for Douglas East, Mrs Cannell.

Mrs Cannell: Mr Speaker, I beg leave to ask the Minister for the Treasury:

Do you consider that mutual assistance agreements between the Financial Supervision Commission and Manx professional bodies operate satisfactorily?

The Speaker: I call upon the Minister for the Treasury, the hon. member Mr Corkill.

Mr Corkill: Mr Speaker, there are three professional bodies on the Island with whom the Financial Supervision Commission has mutual assistance agreements, namely the Institute of Chartered Accountants in England and Wales, the Law Society of England and Wales and the Isle of Man Law Society. However, the only Manx professional body is the Isle of Man Law Society, with whom a mutual assistance agreement has been in place since December 1993. Under this agreement those members of the Law Society who conduct a small range of investment business, comprising no more than 20 per cent of their turnover, may be exempted from the requirement to hold an investment business licence provided that they have entered into a specific regulatory agreement with the society. These arrangements were made on the basis that the Law Society itself will conduct necessary fitness and properness checks and carry out certain regulatory functions. Persons exempted under these arrangements are known as 'recognised persons'.

Since that time, the commission has no evidence to show that the society has not complied with the terms of the agreement; the society has provided the commission with an annual report concerning recognised persons and their compliance with the society's requirements. It has also kept the commission informed of any additions to or deletions from the list of recognised persons. The commission is aware that the Council of the Isle of Man Law Society is currently reviewing its procedures and will be liaising with the commission in due course.

I would confirm that whilst the commission retains powers to intervene in the event of any regulatory difficulties being encountered with recognised persons, so far it has not been necessary for these powers to be exercised. Furthermore, the commission has not received any complaints from any investors in relation to the activities of recognised persons, Mr Speaker.

Mrs Cannell: Mr Speaker, I thank the hon. minister for his reply, but does he feel that it is appropriate for an advocate who has found of unprofessional conduct by an admitted misapplication of substantial public funds intended for his client and fined accordingly a short time ago should now be licensed under the Investment Business Act to carry on such work?

Mr Corkill: Mr Speaker, I cannot report on any specific instance in this chamber but I will investigate the matter that the hon. member raises.

Noble's Hospital – Staffing of Special Care Baby Unit – Question by Mr Henderson

The Speaker: Item 3, hon. members, I call upon the hon. member for Douglas North, Mr Henderson.

Mr Henderson: Thank you, Mr Speaker. I beg leave to ask the member for Health and Social Security:

(1) *What are the current staffing figures of the special care baby unit at Noble's Hospital;*

(2) *is the unit fully staffed; and*

(3) *if not -*

(a) *what action is the department taking to remedy this, and*

(b) *when is it envisaged that the situation will be corrected?*

The Speaker: I call upon a member for the Health and Social Security, the hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, assuming that the hon. member is referring to nurse staffing levels, I can confirm that the special care baby unit at Noble's Hospital has a funded nursing establishment of 11.07 wholtime equivalents. At present the unit is not fully staffed. There are vacancies for one F grade and two E grades. The hospital has been trying to recruit to these posts in these areas for some time now and readvertisements are in place for the near future. Unfortunately it has to be recognised that these are specialist nursing staff and they are not easy to come by, and most health authorities are experiencing recruitment difficulties in this area. Nevertheless, the hospital and the department have taken steps to try and encourage recruitment in this area.

Mr Henderson: Mr Speaker, a supplementary. I thank the hon. member for his answer. Would he not agree, under the present circumstances, then, that a vote of thanks and further support are desperately required to boost morale and support of the staff in their endeavours and to keep these tremendous nurses going and their motivation?

Mr Karran: Vainstyr Loayreyder, I think that that is very laudable and of course we value and hope that our staff realise that we do appreciate them, but the problem I have is not just a shortage in this speciality but a shortage in several specialities and, if I do one for one lot, I would have to do something for the others and, before I know it, we could have even more disharmony through my actions of trying to help this particular section of workers within Noble's Hospital.

Mr Cannell: Mr Speaker, would the hon. member for Health and Social Security not agree with me that the department has no intention of diminishing the current level of services provided in this area and the hospital is actively working to remain competitive in the employment market?

Mr Karran: Vainstyr Loayreyder, I would agree with the hon. member. We are looking at issues. Hopefully a creche will be developed on the new hospital site as one of the initiatives to help the staff.

Mr Henderson: Mr Speaker, I fully appreciate the hon. member for the department's answers and his support for the hard-working staff within that unit, but could he be a little more specific as to when he hopes the present short staffing situation may be resolved? Could he give us some sort of indication so that the staff have a little bit more motivation?

Mr Karran: I believe, Vainstyr Loayreyder, that there will be adverts going out within the next week or two in order to fill the vacancies at the present time, but it is not easy because there is a shortage within the United Kingdom and so we are competing with health authorities in the adjacent isle and this will not be easy. We have got to try and sell it on the fact of a good quality of life in the Island.

Mrs Hannan: Vainstyr Loayreyder, could I ask the member for health whether it is a fact that there was an initiative to attract nurses to Mann and that those initiatives were harshly criticised by some members of this House?

Mr Karran: Vainstyr Loayreyder, the hon. member is right; I do tend to be in the position where I cannot win. We do bring in relocation grants, increasing them, and I get criticised for that and then I get criticised for the other but, at the end of the day, I believe that we are doing our best in this area in order to try and get this issue sorted out, because I believe it is most important that we keep this facility on the Island.

Health Services – Special Care Baby Unit – Continuation of Operation – Question by Mr Henderson

The Speaker: Item 4, hon. member, and again I call upon the hon. member for Douglas North, Mr Henderson.

Mr Henderson: Thank you, Mr Speaker. I beg leave to ask the member for Health and Social Security:

What action is your department taking to ensure that a special care baby unit continues to function in the Isle of Man?

The Speaker: Again, I call upon the member for Onchan, the member for Health and Social Security, Mr Karran.

Mr Karran: Vainstyr Loayreyder, in response I can advise the hon. member that my department has no intention of closing the special care baby unit. However, as stated earlier, there is a number of nursing staff shortages currently within the unit and my department is actively seeking to fill these posts to ensure good quality care is maintained for the benefit of the people of the Isle of Man.

Mr Henderson: Mr Speaker, far be it from me to be critical of the hon. member's answers this morning - I am grateful for his answers - and in a special respect in recognising the hard work from the staff of the unit under question. Could he reconfirm and reiterate for the young families of this Island and the dedicated, hard-working staff in this unit that it is indeed his department's intention to keep going with the running of this unit and in the future? Can he reconfirm that, please?

The Speaker: Hon. member, the hon. member has already replied and said that they are keeping the special care baby unit.

Mr Cannell: Hear, hear.

Health Services – Patients’ Referral to Nursing Home Care – Question by Mr Henderson

The Speaker: Item 5, hon. members. Again I call upon the hon. member for Douglas North, Mr Henderson.

Mr Henderson: Thank you, Mr Speaker. I beg leave to ask the member for Health and Social Security:

What progress has been made by your department since 3rd November 1998 in implementing your undertaking to investigate the problem of the incorrect referral of patients to nursing home care when residential care would be more appropriate?

The Speaker: This time I call upon the hon. member for Douglas North, Mr Houghton.

Mr Houghton: Thank you, Mr Speaker. On the 3rd November sitting of the House of Keys, the hon. member for Douglas North asked questions regarding the referral of patients to nursing homes. In my response I indicated that the department was looking at ways in which we could ensure that people were appropriately referred to either nursing or residential care.

The first stage of this is to integrate the nursing homes registration and inspection process with the residential homes process. This should be completed by April 1999, when there will be one registration and inspection process for all nursing and residential homes. The department, in addition, intend, subject to funding being available, to appoint an additional registration and inspection officer, which will strengthen the inspection process. The department is seeking to recruit a further social worker, who will have an input into the assessment of the needs of older people who may wish to transfer to nursing or residential care.

Following the integration of the registration and inspection processes for nursing and residential care, detailed planning will then be undertaken which will, almost certainly, require legislative changes to implement. The recommendations will be made to the department by December 1999.

I hope that you will see my department have made progress in ensuring that we can build on the already excellent registration and inspection services that we offer and ensure that we have mechanisms in place to enable older people to be appropriately placed in nursing and residential homes, sir.

Mr Henderson: Mr Speaker, I thank the hon. member for the department for his thorough briefing on my question and for the answers that he has given. I would just ask, could you give some comfort to small residential home owners at this time - and I am taking into consideration the fact that December 1999 was a target date - by undertaking to issue a letter to all relevant areas to be mindful of a fair referring practice and be conscious of too many referrals to one area or nursing home at once? Could he undertake to spread them out?

Mr Houghton: Mr Speaker, what I would say to the hon. member in reply is that once we have a more fair and equitable way of deciding those who go to a nursing home and residential homes, I believe more will be moving towards the residential homes side. When those arrangements are in hand I would be more than pleased to see that those residential home owners will be appropriately circulated, sir.

Mr Henderson: Mr Speaker, I again thank the hon. member for his answer. Is there any comfort in the short term he could give to these small businesses?

Mr Houghton: Mr Speaker, I can report to the hon. House that there have been a growing number of elderly people moving into residential care. As can be seen from the written answer that the hon. member for North Douglas has put that comes later on the agenda, virtually all the residential homes owned by the department are full and there are further numbers of people moving now on a greater occasion into the private residential sector, and I am quite satisfied that those numbers will continue to flow in that way, and in that way residential homes and their businesses hopefully should grow.

**Health Services – Treatment of Foreign Nationals – Record of Cost –
Question by Mr Singer**

The Speaker: Item 6, hon. members, and I call upon the hon. member for Ramsey, Mr Singer.

Mr Singer: Thank you, Mr Speaker. I beg leave to ask the member for Health and Social Security:

Will your department retain records during the next financial year of the type and cost of free medical treatment given at Isle of Man hospitals to foreign nationals with whose countries we do not have a reciprocal agreement for NHS treatment?

The Speaker: I call upon the hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, whilst I would be prepared to invite the hospital managers to consider the hon. member's request, I have to say that I am not altogether comfortable with the course he is proposing, balancing against any advantages that might be gained, and I would hope that we would not see in this country the situation we see in some countries where people look for the insurance card instead of the pulse when coming to an accident.

Now, it is true that, under the United Kingdom circumstances that do exist, some overseas visitors are liable to charges for treatment under the National Health Service. However, there are a wide range of exemptions for such provisions which include, for example, anyone who is at the time receiving treatment that has been in the United Kingdom for 12 months, anyone who has come to the United Kingdom to take up permanent residency, anyone who has come to the United Kingdom for employment, members of the armed forces and other Crown servants, people working overseas who have had at least 10 years' residency in the United Kingdom, nationals of the European economic area, nationals and residents of countries to which the United Kingdom has a reciprocal agreement.

As far as the Isle of Man is concerned, we have in truth adopted an open, largely cost-free service in providing emergency medical services, usually provided at the hospital to visitors who are unfortunate enough to become ill, who are normally involved in an accident whilst on the Island. These arrangements, I believe, are accepted in the wider interests of the Isle of Man, especially in particular if we are trying to become the status of a tourist destination. The question therefore remains one of balancing the benefits to the gains in seeking to recover costs from the same individuals against the potential disadvantages to the Island in comparison to other parts of the British Isles. In particular, I mentioned earlier the

policy of the United Kingdom exemptions for many visitors for emergency treatment, not just those whose countries have a formal reciprocal agreement in place but also nationals within the European economic area.

Now, it is likely to be helpful to the Isle of Man to charge visitors, say, from France who do not have a reciprocal agreement for immediate and necessary emergency treatment. With such individuals there would be a liability as far as the Isle of Man was concerned where people would get confused when they were visiting the United Kingdom.

The issue that I feel that is the most important is that, yes, we could calculate the actual costs as far as those people who come from countries where we have no reciprocal agreement, but I think the problem would be very difficult, say, in Noble's Hospital's casualty department during TT fortnight. I think it would hardly bear thinking about the ramifications to suggest to my medical and nursing staff, who are pressed hard enough at that time, to have the added burden of attempting to determine whether an individual is entitled to treatment free of charge. I feel that many in this hon. House would be then complaining to my department with a charge of bureaucracy gone mad, and I have to say that I would have a hard job resisting that claim (**Mr Cannell:** Hear, hear.). Nevertheless, I feel that if the hon. member is making such a request in this House, being the elected House, the House of Keys, I will ask the hospital manager to look at the accurate costings to the hospital for treatment for this section of visitors to the Island, and hopefully this issue can be addressed by the hospital's management accountant in the near future.

Mr Cannell: Mr Speaker, if I may ask a supplementary, please? Would the hon. member for health not agree with me that, in relation to the United Kingdom, the agreement not only extends to emergency treatment but also enables the Isle of Man to send patients to the United Kingdom for specialist treatment which cannot be provided on the Island, and the arrangement in respect of Southern Ireland covers emergency medical treatment only?

Mr Karran: Vainstyr Loayreyder, I can agree with the hon. member.

Mr Singer: Can I thank the hon. member for his long answer, which basically he could have answered with one word - 'no'. Therefore can I ask him, since I raised the matter over 12 months ago, has your department entered into negotiations with any of those countries with which we do not have a reciprocal agreement to organise a reciprocal agreement with them?

Mr Karran: Vainstyr Loayreyder, the hon. member would be complaining of arrogance if I was to have stood up and said no to the hon. member; I think that is a bit unfair. The issue that the hon. member was more concerned about, if I was right, was the transport arrangements as far as air ambulances were concerned from a third country more than the issue of the treatment, if I am right in my reply to the hon. member.

Mr Singer: Mr Speaker, if I could point out to the hon. member that I have never mentioned air ambulances. This arose from the fact that somebody in my constituency who went to France and was not covered last year had to find £4,000 for treatment, and therefore, if we had had a reciprocal agreement, would the hon. member not agree that this would have been to the advantage of both this country and the foreign nationals that they would know that they would get the equivalent NHS treatment free that that particular country normally gives, and that is why we need this reciprocal agreement with those countries, particularly European countries, from whom we get many visitors?

Mr Karran: Vainstyr Loayreyder, I think it is important that members must understand - when we talk about reciprocal agreements we can have reciprocal agreements with all countries; you get the same as what the nationals get in that country, and in many cases emergency treatment is not provided in those countries; I think we must not lose sight of that.

As far as the issue of whether there should be a reciprocal agreement with France is concerned, it has been raised but I think it is wrong to give the impression that it was purely about the treatment. I believe that part of the representation that the hon. member made was the fact of the expense of having to get an air ambulance to get the constituent back to the United Kingdom in the first place, and under any reciprocal agreement that would not necessarily be part of the arrangements.

Mr Cretney: Mr Speaker, would the hon. member agree with me that a useful piece of information which all people should consider whenever they are travelling across, and the reverse applies also, is that they should take out adequate travel insurance?

Mrs Hannan and Mr Cannell: Hear, hear.

Mr Karran: Vainstyr Loayreyder, obviously I would suggest that most departments would recommend, when they are travelling, to get full insurance, because even with lots of these countries they do not have the first-class National Health Service that we have within the Isle of Man.

Health Services – Payment to Retired Gynaecologist – Question by Mr Singer

The Speaker: Item 7, hon. members, and again I call upon the hon. member for Ramsey, Mr Singer.

Mr Singer: Thank you, Mr Speaker, I beg leave to ask the member for Health and Social Security:

Will you enlarge on the written reply to a question in this hon. House on 1st December 1998 in which your department described a single payment of £64,256 made to a gynaecologist whose contract had been terminated as 'retirement in the interest of the efficiency of the service'?

The Speaker: Again, I call upon a member for Health and Social Security, the hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, the previous question to which the hon. member refers sought information regarding the numbers of gynaecologists who have had their contracts terminated by the National Health Service during the last three years. Given there was only one such individual, it is in my view quite inappropriate for those circumstances to become public in this hon. House at this present time over his premature retirement. I am very happy for the hon. member to come to Crookall House to answer any issues that he would like to raise with this particular case but I think, whilst it is dealing with one individual, it is wrong to have that bandied over the airways.

Mr Singer: Could the hon. member tell me, have you re-employed, or do you intend to re-employ, any gynaecologists whose contracts have previously been allowed to lapse?

Mr Karran: If the hon. member is talking about the individual concerned, I can assure the hon. member that the individual who went on early retirement has not been employed by the National Health Service in the Isle of Man. I would be gravely concerned if that was the case.

Mr Cannell: Would not the hon. member agree with me that the department recognise that there was a requirement to undertake an internal review of the circumstances in this case and that it has since been referred by Noble's Medical Staff Committee to the General Medical Council and that the Chief Administrative Medical Officer has provided the council with written evidence?

Mr Karran: Vainstyr Loayreyder, that is the case. I would hate the position to be that there is some sort of cover-up, which seems to be what some members are trying to allude to. The issue has been to the right bodies but I still think it should not be a free-for-all in this House when it is dealing with an individual.

Noble's Hospital – Incidences of Meningitis – Question by Mrs Cannell

The Speaker: We move to item 8, hon. members, and I call upon the hon. member for Douglas East, Mrs Cannell.

Mrs Cannell: Mr Speaker, I beg leave to ask the member for Health and Social Security:

How many cases of meningitis were dealt with at Noble's Hospital in the last six months?

The Speaker: Again I call upon the hon. member for Health and Social Security, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I am advised that during the period July to December 1998 there were no cases of meningitis dealt with by Noble's Hospital. In May 1998 there was one confirmed case of meningitis and on 18th January this year there was also one case confirmed of meningitis.

Mrs Cannell: Mr Speaker, I thank the hon. member for his reply. Can I ask him, though, given that we have got an incidence of meningitis on the Isle of Man, what his department can do in order to advise the general public, particularly parents of children, on ways in which they can safeguard their families and their children from contracting this dreadful disorder?

Mr Karran: Vainstyr Loayreyder, I believe that if the child is of pre-school age it will be seen, nurses will be in contact anyway, and I believe that the issue of meningitis is reasonably well known by most parents because of the high publicity that has been given to it. I have to be honest with you that maybe we need to do something as more of an active campaign on this issue, but what I am concerned about is, I do not want to spread alarm amongst parents so that we could have a situation of them getting themselves very distressed on something that could be an innocent cold.

Mrs Cannell: Mr Speaker, again I thank him for his candour this morning, but would he not agree with me that in the adjacent island of the United Kingdom there are indeed young individuals who are actually dying of meningitis and that they do have a very active campaign in order to try and prevent the spread of meningitis? Can he confirm whether or not we in the Island have actually had any deaths caused through meningitis?

The Speaker: Hon. members, I think that question really has very little to do with the actual question (**Mr Cannell:** Hear, hear.) which sought the numbers of those who were involved in the cases of meningitis.

Derelict Vehicles – Question by Mr Houghton

The Speaker: We move on to item 9, hon. members, which is the last for oral answer this morning. The clock is actually beating us but, if you are agreed, hon. members, I would be happy to take the question.

Members: Agreed.

The Speaker: Therefore I call upon the hon. member for Douglas North, Mr Houghton.

Mr Houghton: Thank you, Mr Speaker. I beg leave to ask the Minister for Local Government and the Environment:

- (1) Are your department's powers to remove derelict vehicles satisfactory;*
- (2) what is the current timescale for the removal of a derelict vehicle after receipt of notification by complaint; and*
- (3) how many derelict vehicles have been removed by your agents since 1st April 1998?*

The Speaker: I call upon the Minister for Local Government and the Environment, the hon. member for Ayre, Mr Quine.

Mr Quine: Thank you, Mr Speaker. The powers to remove vehicles which appear to have been abandoned are contained in part 1 of the Local Government (Miscellaneous Provisions) Act 1984. The Act empowers the Department of Local Government and the Environment and local authorities to remove abandoned vehicles from roads and from land in the open air. Additionally, the police and the transport department are empowered to remove abandoned from roads which are highways.

The Department of Local Government and the Environment has resolved to exercise their permissive function in relation to vehicles abandoned on land in the open air. The Department of Transport exercises similar powers in relation to abandoned vehicles on highways. Any vehicle removed by whatever authority must be handed to DoLGE and we are required to keep the vehicle, irrespective of its condition at the time of removal, in safe custody whilst we undertake the service of statutory notices and implement certain procedures to try and trace the owner of the vehicle and allow that person the opportunity of recovering the vehicle from us.

Before any owner can recover a vehicle the department is empowered to, and does, require the payment of prescribed charges for removal and storage. These charges are prescribed in the Removal and Disposal of Vehicles Regulations 1989 and are currently £55 for removal and £5 per day for storage. These regulations also prescribe the steps that the department must take to trace the owner of a vehicle and offer the owner the opportunity to recover the vehicle. The Act further provides that any person who abandons a vehicle or part of a vehicle is liable on conviction to a penalty of up to £5,000. It is currently not normal practice to remove an abandoned vehicle and institute a prosecution, but this position is being reviewed. (**Mr Houghton:** Hear, hear.) It is presently assumed that these powers, balanced

against the need to protect the rights of the owners of vehicles, are sufficient to deal with the problem of abandoned vehicles.

The procedure and timescale for removal, safe-custody and disposal of an abandoned vehicle is broadly as follows. On receipt of a complaint an assessment is made as to whether space is available for safe custody, safe custody being a prerequisite. The vehicle is inspected to determine whether it appears to be abandoned. A notice is served on the occupier of the land, following which a period of 15 days must be allowed for the occupier to lodge any objection. If no objection is received or the owner cannot be determined, an instruction is issued to the contractor to remove the vehicle to a place of safe custody. Following removal of the vehicle to safe custody action is then centred on the owner. Where an owner is found the department must serve notice on that person and allow 21 days for the owner to recover the vehicle. Where the owner does not recover the vehicle or no owner can be found after police inquiries the vehicle must be disposed of, normally via a scrap metal dealer. The time taken from receipt of complaint to the vehicle being removed can vary widely according to the circumstances - For example, where the vehicle is situated, the time taken to identify the owner and whether there is sufficient safe custody space available.

In order to fulfil the statutory obligations for the removal and safe custody of abandoned vehicles the department has entered into a contract with a private operator. It was not until June 1998 that a suitable contractor was identified and the contract was entered into on 1st July 1998. It has not been possible for the department to exercise its permissive power to remove abandoned vehicles until such time as the required safe custody was available. Similarly, other authorities were unable to exercise their discretionary powers to remove such vehicles because of the required safe custody not being available.

Since October 1998, when work was seriously applied to this problem, some 80 abandoned vehicles have been removed. The Department of Local Government and the Environment has removed 70, the Department of Transport 8 and local authorities, 2. There is currently a backlog of 470 vehicles. Based on our experience to date, the greater part of these vehicles will require to be removed and disposed of. It could take several months to deal with this backlog.

Mr Cannell: Mr Speaker, a supplementary, please, if I may. Notwithstanding the limitations imposed upon the department, would the hon. minister not agree with me that the position which he just outlined is not acceptable in the Isle of Man and that consideration should be given to looking at vehicles which are so obviously derelict by having flat tyres or even more suspect by not being taxed within the current year? *(Laughter)*

The Speaker: The minister to reply, the hon. member for Ayre, Mr Quine.

Mr Quine: I am sure the vehicles to which the hon. member for Onchan replies are embraced by the backlog figure to which I referred, sir.

Mr Houghton: Mr Speaker, it has been quite unbelievable to receive the hon. minister's reply today, although I thank him for his comprehensive reply, to say that these vehicles have to first go into safe custody before the final removal can take place to the scrapyards, so therefore does he not agree that the current legislation is wholly inadequate and that new legislation is urgently required to address this serious problem, ideally empowering police officers to arrange the immediate removal of such vehicles straight to the scrapyards, sir -

Mr Henderson: Hear, hear.

Mrs Crowe: Oh, don't be silly!

Mr Houghton: - and the respective owners should be traced, fined a minimum of £1,000 (*Laughter and interjections*) and the removal of the costs put on top.

Mrs Crowe: Shoot them!

Mrs Hannan: Oh, yes!

Mr Cannell: Hang 'em and flog 'em! (*Laughter*)

Mr Quine: I am afraid the hon. member represents in that statement views which would not find favour either with this House (**Members:** Hear, hear.) or another place (**Mr Houghton:** Quite disgraceful!) if I were to seek to get that type of legislation. We have to live in the real world (*Laughter*) and we have to live on the basis of trying to balance the need to deal with what is a serious problem (*Interjections*) but we have to balance that against the rights of landowners and the rights of owners of vehicles and allow a procedure which gives them access to recover their vehicles. I can just imagine, if I had such an arbitrary procedure, as has been suggested by the hon. member for North Douglas, and a vehicle was taken and disposed of in that manner there would be all sorts of criticisms, complaints in this House about the rights of owners of vehicles being disregarded.

Mr Houghton: The world is too soft!

Mrs Hannan: Oh! (*Laughter*)

Mr Quine: We have to strike a balance. That balance is being struck and, as I have intimated to him, we have the means which has not yet been exercised to prosecute in addition to removal of vehicles. That is still available to us but it is clearly logical and sensible that we approach this problem in a structured and balanced manner, and that is what we are seeking to do.

Mr Henderson: Mr Speaker, I am just wondering if the hon. minister could answer if the main percentage of this 470 car backlog is littered around Douglas clogging our streets up?

Mr Quine: I would imagine, just on the law of averages, that must be the position. The great majority of vehicle owners and residents live in and around Douglas, but I cannot give you the accurate percentage.

The Speaker: Hon. members, items 10, 11, 12, 13 and 14 are for written answer and I understand the answers have been circulated to hon. members and are on your desks.

Treasury – Attendance Allowance for Non-Tynwald Members of Statutory Boards – Question by Mr Cannan for Written Answer

Question 10

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

- (1) *Does the Treasury intend to increase the attendance allowance for non-Tynwald members of statutory boards; and*
- (2) *if so, when?*

Answer

(1) The Treasury has agreed to review allowances to non-Tynwald members of statutory boards when this House is halfway through its term. The Treasury will therefore be considering the matter in the near future.

(2) If it is agreed that allowances are to be varied, I would envisage that this will be from the summer of this year.

Health Services – Elderly Care Patients Discharged – Question by Mr Henderson for Written Answer

Question 11

The hon. member for Douglas North, Mr Henderson, to ask the member for Health and Social Security:

In 1998 -

(i) *how many elderly care patients were discharged from -*

- (a) *Noble's Hospital,*
- (b) *Newlands,*
- (c) *Ballamona Hospital, and*
- (d) *Ramsey Cottage Hospital;*

(ii) *in each of the categories (i)(a) to (i)(d), how many of these patients were discharged to -*

- (a) *government-owned nursing homes,*
- (b) *government-owned nursing homes with 12 or more beds,*
- (c) *private nursing homes,*
- (d) *private nursing homes with 12 or more beds,*
- (e) *government-owned residential homes,*
- (f) *government-owned residential homes with 12 or more beds,*
- (g) *private residential homes; and*
- (h) *private residential homes with 12 or more beds?*

Answer

(i) (a) Noble's* 3,638; (b) Newlands 543; (c) Ballamona 198; (d) Ramsey 656;

NB The figures relate to all patients aged 65 years or over at the time of discharge.

- (ii) (a) and (b) No government-owned nursing homes;
- (c) Noble's* 64; Newlands 68; Ballamona 2; Ramsey 6;
 - (d) Not available (see 1 below);
 - (e) Noble's* 8; Newlands 27; Ballamona 1; Ramsey 2;
 - (f) Noble's 8; Newlands 27; Ballamona 1; Ramsey 2 (see 2 below);
 - (g) Noble's 13; Newlands 38; Ballamona -; Ramsey -;
 - (h) Not available (see 3 below).

* Includes Victoria Lodge

1 In respect of (d) above, St Bridget's Hospice is the only private nursing home with less than 12 beds. Unfortunately, the existing data system does not differentiate between Hospice and the other nursing homes.

2 In respect of (f) above, there are no government-owned residential homes with less than 12 beds.

3 In respect of (h) above, whilst there are a number of private residential homes with less than 12 beds, again the existing data capture system does not differentiate between the size of the unit.

Government-Owned Residential Homes – Bed Occupancy – Question by Mr Henderson for Written Answer

Question 12

The hon. member for Douglas North, Mr Henderson, to ask the member for Health and Social Security:

What was the percentage bed occupancy rates in 1998 in the following government-owned residential homes -

- (a) *Glenside;*
- (b) *Cummal Mooar;*
- (c) *Meadow View; and*
- (d) *Reayrt ny Baie?*

Answer

- (a) Glenside - 89 per cent
- (b) Cummal Mooar - 93 per cent
- (c) Meadow View - 100 per cent (This is a sheltered housing complex.)
- (d) Reayrt ny Baie - 87 per cent.

Health Services – Referrals of Elderly Persons to Residential Care – Question by Mr Henderson for Written Answer

Question 13

The hon. member for Douglas North, Mr Henderson, to ask the member for Health and Social Security:

- (1) *How many referrals of elderly persons to residential care have been made by general practitioners, community nursing staff and other departmental agencies in the last 12 months; and*
- (2) *given that patients have a choice and may pay for private care, what percentage of these referrals were to small private residential homes with 12 or fewer beds?*

Answer

(1)

1.1 In this current financial year there have been 255 admissions of elderly persons to residential care.

1.2 Of these, 177 admissions were to private residential care homes of which 52 have been from hospitals. It has not been possible to gather the information concerning the source of all referrals as this information is not readily available.

1.3 There have been 78 admissions to the department's four homes in the current financial year of which 21 have been from hospitals. It has not been possible to gather the source of the original referrals, however all direct referrals for care in these four homes are made by social workers.

(2)

2.1 There were 40 admissions to private residential homes with 12 or fewer residents. This represents 22.5 per cent of admissions to the private sector. There are nine homes currently registered with 12 or fewer beds, this is 33 per cent of the total of private residential homes.

2.2 Those who wish to go into residential care have the right to choose which establishment they wish to live in, whether that be in the private sector or in one of the department's homes, in a small home or in a large home. The department's social workers do not direct people into any particular home but allow the individual the choice of where they wish to live. Indeed, most admissions to the private sector are organised by the family themselves.

Isle of Man Constabulary – Officers' Duties – Question by Mr Houghton for Written Answer

Question 14

The hon. member for Douglas North, Mr Houghton, to ask the Minister for Home Affairs:

- (1) *What is the total establishment of the Isle of Man Constabulary;*
- (2) *in each of the following divisions and sections, how many officers -*
 - (a) *undertake operational duties,*
 - (b) *are supervisors,*
 - (c) *are non-operational -*
 - (i) *Douglas (uniform) sections*
 - (ii) *Onchan division*
 - (iii) *Pulrose and Farmhill*
 - (iv) *Northern*
 - (v) *Southern*
 - (vi) *Peel*
 - (vii) *Traffic*
 - (viii) *Prosecutions*
 - (ix) *Special Branch port unit*
 - (x) *Fraud*
 - (xi) *Family protection unit*
 - (xii) *CID*
 - (xiii) *Crime prevention*
 - (xiv) *Scenes of crime*
 - (xv) *Coroner's licensing*

- (xvi) Dog section
- (xvii) Drugs
- (xviii) Training department
- (xix) Custody
- (xx) Douglas station/control room
- (xxi) Other duties in headquarters;

- (3) what is the total number of officers presently on sick leave, and of those how many have been absent from duty for -
- (a) less than two weeks,
 - (b) from two to four weeks,
 - (c) from four weeks to three months,
 - (d) from three to six months,
 - (e) over six months; and
- (4) how many officers are presently suspended from duty for -
- (a) up to one month,
 - (b) from one to three months,
 - (c) from three to six months, and
 - (d) over six months?

Answer

(1) The total establishment of the Isle of Man Constabulary is 218 officers.

(2) The number of constables, sergeants and inspectors deployed in the various divisions and sections is as follows:

	<u>Constables</u>	<u>Sergeants</u>	<u>Inspectors</u>
Douglas (uniform)	42	6(a)	2
Onchan	7	1	1(b)
Pulrose and Farmhill	5	1	-
Northern division	14	2	1
Southern division	13	2	1
Peel	10	1	-
Traffic department	11	2	1
Prosecutions department	-	4	1
Special branch	8	1	-
Fraud squad	5	2	1
Family protection unit	3	1	-
CID office	9	3	1
Crime prevention	1	-	-
Scenes of crime	3	-	-
Coroner's officer	1	-	-
Licensing	-	(1)(c)	-
Dog section	3	-	-
Drug squad	7	1	-
Training department	3(d)	1	-

Custody	-	5	-
Douglas station	5	5	-
Douglas control room	5	-	-
Other HQ duties			
IT	1(e)	-	-
Personnel	-	1(f)	-
Planning	-	1(g)	1
Crime management unit	3	1	-
Douglas community beats	1	1	-

- (a) Includes one acting sergeant
- (b) Covers Onchan, Pulrose, Farmhill and Peel
- (c) Part of one prosecution sergeant's duties
- (d) One PC being trained as trainer
- (e) Handing over and assisting with triennial renewal of firearms certificates
- (f) Temporary
- (g) One sergeant on light duties.

All officers undertake operational duties although a very small number based at police headquarters are in what could be described as non-operational posts. All sergeants and inspectors have supervisory responsibilities.

(3) As at 28th January 1999, 10 officers were on sick leave. The length of time that these officers have been absent from duty is as follows:

- (a) Less than two weeks - 5
- (b) From two to four weeks - 0
- (c) From four weeks to three months - 3
- (d) From three to six months - 1
- (e) Over six months - 1

(4) One officer is currently suspended from duty and has been for over six months.

A Bill to Permit the Prescription of Cannabis for Therapeutic Purposes – Leave to Introduce Granted

The Speaker: We then turn to item 15 on your order paper, leave to introduce, and I call upon the hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I beg to move:

That leave be granted to introduce a Bill to empower subordinate legislation to be made to permit medical practitioners to prescribe cannabis for therapeutic purposes in respect of specified conditions.

I am asking for leave to introduce a Bill to provide enabling legislation to be introduced into primary law so at a later date orders can be made and with the approval of Tynwald for the prescribing of cannabis for the relief of certain diagnosed medical conditions. What this Bill sets out to do is to allow for enabling legislation to create primary law so the issue of the detail of the legislation can come in in orders at a later date, a one-stop shop by the DHSS or by a member of Tynwald.

This issue is not about legalising cannabis; it is a moral issue about a small section of our community who have a disease for which there is little or no effective treatment and even less cure. I believe that these few people suffering from this disease should be allowed to try out treatment that gives them any chance of light at the end of the tunnel without making them into criminals and those that care for them into criminals as well.

Getting back to my private member's Bill, the primary law would provide the ability for the prescribing of cannabis for certain medical conditions. This would not come into being until the orders had been approved by Tynwald of who would be able to prescribe cannabis and for what medical condition. The safeguards would be that the primary law does not come into force until the orders have been fully debated in Tynwald.

I am as keen as anyone else to protect the Island from increasing drug abuse, but I have to admit that I feel it is totally unjust that a small section of our community with a disease where there is little or no way of relieving the symptoms can have the only light at the end of the tunnel taken away from them unless they turn themselves into criminals. My experience with MS sufferers goes back a long way. I was recently visiting a friend of mine whose wife has got MS and he is a respected member of the community, and I saw the problem that his wife said that she did not want to be dragged into becoming a criminal, or her husband, but at the end of the day here we were seeing individuals who have such limited opportunities being dragged down into a situation where they would be less regarded as well-respected law-abiding citizens.

I and even the most bigoted person against the Bill would find it difficult to argue against her case. If there is some chance of stopping her ending up in a wheelchair or easing her painful muscle spasms I feel that we would be wrong to deny her or any MS sufferer the opportunity of having this drug administered legally.

I can understand there will be some people trying to make out that I am trying to legalise cannabis, but I am not trying to legalise cannabis. What I am trying to give is a minority the opportunity to use a drug in circumstances where there is no other alternative medical support that can help these people with this dreadful disease. I believe it is important that we make legislation to protect people and not to force them into becoming criminals. I believe that no-one could argue the fact that if they were in that situation with those so limited choices they would not be very willing to try an illegal substance to try and relieve their suffering.

What this Bill is trying to do is safeguard society from abuse but make sure that those people who are affected by diseases that can be helped by the cannabis drug will not be turned into criminals who were previously decent law-abiding citizens.

Hon. members, the bottom line is expressed well by the MS Society of Great Britain and Northern Ireland, where they say, 'However, the society believes there is a need to respond compassionately to the fact that some people with MS are going outside the law in order to obtain cannabis. The hope is that it will relieve their symptoms. Therefore we believe that the law should be changed in order to allow the prescribing of cannabis on a named-patient basis. This type of prescription means the doctor is personally responsible for the consequences which may ensue from the patient being treated. I must stress that we do not believe that GPs should prescribe this drug. We believe only specialists or ideally a pain specialist should prescribe this drug'.

Hon. members, I believe this piece of legislation is only a foundation stone. There will be long and hard negotiations to take place to get the regulations right to ensure that we are able to deal compassionately and agree with the society's viewpoint that we do not wish to see people with MS driven into criminal activities in order to obtain cannabis. This must be the wrong way. I beg to move.

Mr Bell: I beg to second, Mr Speaker, and reserve my remarks.

Mr Downie: Mr Speaker, I have listened to the case made by the mover, the hon. member for Onchan, Mr Karran, who by coincidence is also the member in the House of Keys with responsibility for health, and before I agree leave to be introduced for a Bill of this nature I would like to ask the mover, if this is such an important issue and it is something that we need to further for the benefit of sufferers of multiple sclerosis, first and foremost why his department is not progressing this legislation and the resources of the department and the very good team of medical expertise that exists in that department are not putting together a case to say that we in the Isle of Man can, as the member says, be the leaders in the field and introduce this package which would, as the member says, give comfort to people suffering from multiple sclerosis. It would also be helpful if the member could advise this House today just how many people on the Isle of Man have multiple sclerosis.

The other issue I would like to hear addressed by the member himself: there are obviously going to be complications in importing an illegal substance into the Isle of Man. At the moment in the UK and here it is a very tightly controlled, in fact an illegal substance; it is banned under the customs agreement and to have it in your possession is an offence. Bearing in mind that no such provision exists in the UK - and I am not aware that cannabis is obtainable in the United Kingdom under any sort of prescription - I would like to know how, if we decide to go down this route, cannabis will be imported into the Isle of Man and what sort of agreement will need to be in place for that to happen.

I would also like to ask the member what sort of investigation he has carried out into the way in which these prescriptions or this drug will be available, I take it, on prescription, whether it will be in its crude form where it can be smoked by the patient, or whether it will be in a tablet form or some sort of a suppository. Obviously it has been accepted as a drug which causes all sorts of effects to the individual. No doubt, if a person is suffering pain and discomfort it will be of benefit. It is a long-established homoeopathic herbal remedy for a whole number of things but, as members will be aware, there is also a down side to this drug as well.

Now, I want to look at this with an absolute open mind, and before I make any decision today I would very much like to hear what the member who is seeking leave has got to say about this, and I would be pleased if as many people as possible in the House today would get up on their feet and make their feelings known, because I think it is a big issue and we are talking about being perhaps the leaders in this and it is important that as many people as possible have their say. Thank you, Mr Speaker.

Sir Miles Walker: Mr Speaker, I am supportive of the hon. member for Onchan in his endeavours to be granted leave to introduce a Bill for the purpose of legalising cannabis for specified conditions. I will be interested when the Bill appears to see the sort of detail of the Bill, because I think it will be on that detail that the success of the Bill depends.

The hon. member Mr Downie has just asked the hon. member for Onchan if he can say how many people in the Island have multiple sclerosis. I do not believe the hon. member will be able to respond in detail to that, because MS is not a notifiable disease in the Island and so the central authority of the DHSS do not have the figures. I have been involved with the Multiple Sclerosis Society in the Island since its inception about 20 years ago, I guess, and I can inform this House and the hon. member in particular that there is certainly a greater incidence of the disease on the Island than there is in Great Britain as a whole - that is, the number of cases per thousand of the population. I do not think there is any doubt at all about that and that is backed up by statistical evidence.

The Multiple Sclerosis Society of Great Britain and Ireland, as the hon. member Mr Karran indicated, would like this issue to be considered by legislatures. They certainly support the introduction of legislation which would allow authorised use by prescription, but they do also accept that further research is needed and has to take place and I think it is a considered opinion of the society that it is more likely that that research will be carried out in a proper and thorough manner against a background of legalisation than against a background of this as an illegal substance, and to carry out research on that basis, I think, is somewhat questionable. So the essence of wanting legislation in this area is to encourage further research, and modification of the drug in some way that it can be taken on prescription by individuals and it will be of direct benefit to them.

I think, when the hon. member for Onchan was on his feet, there was some sort of inference that by legalisation you can avoid desperate people making criminals out of themselves if they want to try cannabis. That will only be the case, of course, if they accept the prescription or the way it is prescribed and, if they are out for a quick fix smoking the stuff, it is likely to be still illegal. So it is only legalising this drug by prescription and it will probably, I guess, not be in the form of a cigarette or smoking; it is likely to be in, as the hon. member said, pill or medicine form.

So I think that this is a very serious subject. I would not expect, just because the Isle of Man legalised this drug, that more research will take place countrywide but I do think it will give to the sufferer in the Isle of Man some comfort to know that at least this parliament - their parliament - has some sympathy and understanding for the plight of some of the sufferers. As the hon. member said, it is a debilitating disease. Thank goodness it is not one that is depressing, and you will find that the vast majority of sufferers of multiple sclerosis are happy people who accept their little lot - all the more reason, I would suggest, that we look sympathetically on the case made by the hon. member Mr Karran for leave to introduce this legislation. I beg to support it, sir.

Mr Rodan: Mr Speaker, I have a great deal of sympathy with the motion from the hon. member for Onchan, Mr Karran, and will be supporting him today. There is enough anecdotal evidence available to demonstrate that many patients do benefit from cannabis in the control of multiple sclerosis. Having said that, I do, though, have some difficulty with the practicality and workability of the legislation that is to be proposed, the primary law which in the terms of the motion is enabling subordinate legislation to permit medical practitioners to prescribe cannabis.

The difficulty is because I am not at all sure how this could be framed in the light of the existing legislation which governs the situation. We already have existing law which

determines the circumstances under which cannabis can be supplied. The Misuse of Drugs Act 1976 is the Act that deals with dangerous drugs, drugs liable to abuse, and schedule 2, part 1, includes cannabis and it is the highest form of regulation. The reason cannabis is in part 1 of schedule 2 is that it has no proven medical use and it is both illegal to supply and to possess this drug, but we can compare this with other drugs of abuse - for example, morphine and heroin, which are also in schedule 2 of the Misuse of Drugs Act - which do have a proven medical use, and it is legal both to supply and prescribe them and to possess them in the circumstances as dictated by the Misuse of Drugs Act.

Having said that, despite cannabis having no proven medical use it is possible for the Department of Health and Social Security to issue a licence for the importation and the supply of cannabis, and the possession of cannabis can be licensed after an application to the Department of Local Government and the Environment under section 5 of the Misuse of Drugs Act. A mechanism, therefore, does exist where medical practitioners can apply for licences to permit both importing and supplying cannabis and for it to be used for therapeutic purposes on a named-patient basis on the liability of the medical practitioner himself on his own liability.

Now, there is a mechanism already in place, but in fact it does not happen because what comes into play is the other piece of legislation, the Medicines Act, because it is the Medicines Act that governs the supply of substances on prescription and as to whether any medical substance actually has proven value and has satisfied the requirements of the Medicines Control Agency in the United Kingdom.

So, in other words, while it is possible under the Misuse of Drugs Act for cannabis to be imported and prescribed, to prescribe it would run up against the Medicines Act because there is no pharmaceutically available form of cannabis available to medical practitioners which has passed the necessary tests for quality, safety and efficacy. It is only after such tests that a substance, cannabis in a pharmaceutically presentable and acceptable form, would be licensed for supply on prescription. This is the stumbling block at the moment and this is well recognised in the adjacent isle, whereby tests are taking place and clinical trials are taking place at the moment on cannabis to prove its medical value and, when the medical value is proven, it will then fall neatly while still a substance of potential abuse, within the Misuse of Drugs Act as other substances like morphine and heroin and be prescribable. The fact that it is not prescribable at the moment is because the necessary clinical tests leading up to licences under the Medicines Act have not yet taken place.

There is one medicinal product within the Medicines Act already licensed which contains a synthetic extract of cannabis and it is licensed for the prevention of nausea and vomiting in chemotherapy patients, for persons who are unresponsive to conventional anti-emetics, and this substance, nabilone, is available; it is not licensed for use, though, in conditions like multiple sclerosis. Again, it could be prescribed on a named-patient basis by a practitioner having sought a special licence to do so.

So, Mr Speaker, I believe the intent of the hon. member for Onchan, Mr Karran, is correct. I think we can anticipate with great interest the form the legislation will actually take, because to my mind it is one thing to have sympathy for the situation of MS sufferers and to cause cannabis to be supplied to them, but I would have reservation about supplying a substance which has not gone through the necessary clinical trials and had its efficacy proved to the extent of being licensed under the Medicines Act, but in summary, legislation exists

already, subject to regulation, to allow for the use of cannabis should that be considered necessary, but the stumbling block is the Medicines Act, which deals with the quality and the safety of any medicinal product.

Mr Singer: Mr Speaker, I support the important scientific investigations into the discovery of new medical treatments to afford a cure or relief from symptoms and diseases. These discoveries may often be from developing derivatives of known drugs and finding them to be more effective and with less side-effects. Such could be the case with cannabis, a drug which has been used for centuries, its painkilling effects known, but which nowadays is only used as a substance of abuse and is illegal.

At the time of this debate we are at an early stage and I think that it is too early to make any judgement. I understand that a British company, GW Pharmaceuticals, have been granted two licences to cultivate marijuana for the purpose of investigating possible medical uses of the plant and its derivatives and the company officials have said that, whilst there is this anecdotal evidence of the effectiveness of cannabis as a medicament, there have been few if any systematic clinical trials on the efficiency of cannabis as a prescribed medicine. It is suggested that cannabis can give relief of pain and spasticity in multiple sclerosis, that it can give relief of pain in neurological disorders, it can be an appetite stimulant for AIDS victims and it is also said that it could be a help in cancer and glaucoma therapy, but we will have to wait to find out if these claims are scientifically proven. The company, GW Pharmaceuticals, I understand, are to study non-smoking methods of drug delivery, which would then permit medical practitioners to issue licensed cannabis derivatives to those patients who are suffering from the diseases I mentioned earlier, but at the present moment we are at a stage where we cannot see or understand the whole picture. Until a method of drug delivery by tablet or suppository is devised - and it is thought that these particular dosages would be considerably stronger than by smoking - were we to pass this Bill, the only way to implement the Bill - and I think there would be pressure to do so - would be to permit the growing of the marijuana plant and for the medical practitioner to prescribe its use on the NHS, and that is why I could not agree with that, and I think that any decision would be premature. It is interesting that the MS society are themselves saying that there must be no rush to introduce cannabis for treatment until full scientific evidence is available and clinical trials have been completed.

It is not just in the UK and here now in the Isle of Man where there is pressure to legalise the use of cannabis; there are moves in both Canada and the USA to legalise its use for products for medical use, but the debate there is also still continuing. I do not believe that in these circumstances we can go it alone. We cannot be thought to be endorsing the growth of cannabis plants because of the inherent dangers which we all appreciate. I do not think we can relax the circumstances where the availability of marijuana is increased within society for the potential abusers. I know we might hear the comment that alcohol and cigarettes are possibly more dangerous than marijuana, but the answer to those woolly liberals is that two wrongs do not make this right. The drug dealers have still got to be hit hard and we have to ensure that they are not offered an excuse. We need to know the views of the police and the medical profession. We need to know, if scientific trials are successful, that the medication can be produced in a form that cannot be abused.

Of course, Mr Speaker, I realise that this is not an answer to those who suffer today and I sympathise with them and their families, and it may be at this time the answer is for the courts

to recognise the plea that the drug was being used in its present form to ease the discomfort of the disease. Agreement, perhaps, would have to be obtained from the medical profession to confirm that the user did suffer from the named disease and for the court to consider leniency in those circumstances. Therefore, Mr Speaker, I believe that at this time we should not take this step. There is not enough scientific evidence; the MS society are not enthusiastic about premature decisions being made on the use of the drug and the substance we are talking about is a substance of abuse.

I understand the hon. mover's argument and that he is sincere and speaks as he always does from the heart and I would certainly not vote against his right to introduce a private member's Bill to this hon. House. I would hope that when he does come back for the first reading he will perhaps have more clear and positive evidence of the way forward. However, I personally doubt that this will be possible within the timescale. Thank you.

Mr Cannell: Mr Speaker, many of the points which I would have made in this have already been made more eloquently than I as a newcomer, but I would like to make one or two basic observations, if I may. The first thing is that I admire my hon. colleague for Onchan here, Mr Karran, for the move which he is making today, and I believe his sincerity in it is not in doubt, but I really do not think that we need to have a specific House of Keys Bill to achieve what he is seeking to do. The hon. member for Garff has put many of the points which of course satisfy the legal requirements as they stand and as he envisages them turning out, and he also appears to say that most of the mechanism to bring about what Mr Karran is seeking is in place and with the requisite goodwill it can be undertaken.

One thing for certain in my basic research of this already - and I am aware of some friends of mine who have this - is that there is no doubt whatever that anybody in agony through multiple sclerosis or indeed anything else of debilitating nature like that would be prepared to try virtually anything to relieve the stress and relieve the pain, and I only hope that it would be a very, very, callous prosecution indeed where anything of that nature may be being attempted now - and I am not trying to point the finger at any individual, but if anybody was found to be taking a substance technically illegal, in the genuine concern and interest only of trying to relieve the later stages of multiple sclerosis, it would be an extremely difficult prosecution to bring forward and for a conviction to be recorded.

The Department of Health and Social Security, as far as I am aware, has not given full consideration to this move, but I think I am able to say as a member of the department that we will undertake to do just that and to examine the measures which Mr Rodan has so eloquently put as to how this could be brought about to achieve the effect which the hon. member for Onchan seeks. I cannot say that the department will take moves, because the department, like any other department, needs to consider it, and there would be definitely no barrier to this being brought in after the appropriate medical advice has been received. Now, that might be viewed as being a deferral and I would not like for a moment for me to be down as voting against the principle of pain being relieved by the use of cannabis nor anything else, as I have said. That is definitely not the point, but I do not think we need an actual Bill of the House to achieve that. Stringent measures are in place to monitor any misuse of it, but I am sure that can be got around by order rather than by having a specific Bill to do it, which is a little bit over-bureaucratic, but, as I mentioned, I am in favour of the principle of what Mr Karran is

trying to achieve, I just do not think we need to do it by this method, and I do here undertake that the department will look at this and give its observations reasonably forthwith.

Mrs Hannan: Vainstyr Loayreyder, I rise to support the member for Onchan in his request to seek leave to introduce and I think he should be congratulated for bringing it to the House. It is a very sensitive issue and I think, by some of the comments that have been made this morning, members do not seem to realise the sensitivity of this request that the member has made, for the simple reason that even just mentioning cannabis in certain circumstances people are - 'concerned' I suppose is not the right word, but they express a great deal of agitation about any sort of drug, do not differentiate between a drug. So I think the debate that we are having this morning is correct. We are the representatives of the people. Leaving it to a department to consider I do not think is the correct way to proceed with this matter; even if there is legislation, the legislation is complex and could be seen as being at cross purposes with each other where it comes to this particular drug.

Where other drugs are concerned such as heroin, heroin is illegal but it can be prescribed; morphine is illegal but it can be prescribed. There are many drugs which are illegal but can be prescribed. Many of the mental health drugs have developed from some of the drugs that are illegal but they can still be prescribed. This particular drug cannot be prescribed, except in the way that the member for Garff mentioned with regard to some properties of it which can be used and prescribed at this time. So I think it is quite right that this House should discuss this issue.

With regard to the comment made by the member for Onchan, with regard that anybody using this for MS should not be prosecuted, people have been prosecuted for this very reason of obtaining this drug, this illegal substance, for family members who have got multiple sclerosis, and even the case of going to court and having to make the case for their families or themselves can be extremely stressful when people tend to look on any sort of drug-taker as being the lowest of the low, and people do not like to go into court and say, 'This is the reason why I was trying to procure this substance'.

I think the comments made by the member for Garff demonstrated the point absolutely, that cannabis is such a complex herb, weed, plant - however you like to describe it - but it is extremely complex. It has got many many properties, some they say harmful, depending on which way you take it, but obviously there are parts in that that are helpful and can be used at the moment, some of these extracts. If we were looking at a number of drugs today we would not use them and yet they are in regular use today, such as aspirin, which has extremely complex properties as well - that is also of a herbal nature. I find the whole drugs situation extremely interesting, how anybody decided that some of these plants and shrubs could be used for this sort of treatment of any sort of disease and how they actually worked, how they relieve pain. Aspirin is one of those. Today, maybe, we might be looking at this and saying, 'Well, no, it should not be used,' but it is an extremely useful drug in many, many areas.

I think the main purpose of this debate today, if the member should receive the right to introduce the legislation, and I sincerely hope that he will, is to open up this particular subject on this drug, The debate should be, why is this drug treated any differently from the very highly addictive drugs such as heroin, such as cocaine, which can be used medically? Maybe it is something to do with the pharmaceutical companies that they have not got copyright on this particular drug and this is the reason why they would resist the introduction of this particular

drug in any sort of form, unless they get the copyright of this substance. Members may not realise that drugs . . . I am not sure of the length of time for which copyright is held, but while the copyright is with the manufacturer they can earn considerable sums of money, Hundreds and thousands of millions of pounds, while this drug is in use and under their copyright. So, yes, they have a vested interest in trying to keep a substance such as this from medical use. Just in finishing, Vainstyr Loayreyder, I would say that we have heard many times in this House that now is not the time and we heard it from the member for Ramsey today, 'Now is not the time; we must follow' even if it is only the intention to look at it and consider it should we get enabling legislation. 'We should follow the United Kingdom'. I think now is the time to consider this issue to address the suffering that could be relieved by a substance such as this, and I have been contacted by persons suffering from multiple sclerosis and they certainly support the movement in this way.

Mr Corkill: Mr Speaker, I have listened with interest this morning to the comments that have been made, and I would, I think, congratulate the hon. mover of this motion with regard to highlighting the problem that MS sufferers do have and the inability of society to deliver relief to that group of people, as indeed there are other groups of people who suffer illness where we fail to deliver, but such is the march of progress in the pharmaceutical industry and also in medical care that hopefully these things are dealt with on a broad basis.

I would wish to raise this morning the reason why cannabis has the illegal categorisation that it has today, because it is not too many years ago since it was prescribable, since doctors could prescribe in the way that they thought fit for purposes of medical use, but a situation arose where it was totally illegalised, effectively, and that was as a result of substantial rises in the abuse of the substance. Now, that may well have been a knee-jerk reaction, but it is a reality that there was a reaction to abuse of cannabis.

Now, that abuse has actually increased over the years. It is a drug of favour amongst drug abusers and I think we should not lose sight of that. It was in the 1970s when I went to university and did a study on cannabis for my own interest and to try and get my pharmacy degree, and something I came across then was that in fact the toxicity side of cannabis can be quite substantial in certain circumstances, and I do not believe that there is a great deal of knowledge been improved since then. There are papers for and papers against this particular issue, and I am pleased that a proper trial and studies are taking place in the United Kingdom at the moment, because I think it will resolve the issue once and for all.

Therefore I do believe that to legalise for this purpose is premature at this stage. Having said that, I will support the hon. member's leave to introduce, because I look forward to hearing the debate and hearing the arguments. The hon. member who resumed her seat before me, in speaking, mentioned the issue of copyright and the pharmaceutical industry. I would actually put forward the opposite view: I think that this would actually be an opportunity for the pharmaceutical industry (**Mrs Crowe:** Yes.) and I do not believe that they would actually block such a measure. I think there is profit probably in this situation, but it was an interesting point that the hon. member made in terms of drug development, because certainly new synthetic drugs take approximately 10 years to be produced from invention to delivery into the system, and drugs such as aspirin and, I would also guess, cannabis, would probably not pass year one in today's diligent climate of safety and toxicity situations. A number of drugs that we are used to seeing in the community would not pass those tests today and we have

inherited a system, because of accidents, because of drugs such as thalidomide, where this 10-year process takes place for safety sake. So I for one do remain to be convinced that the toxicity side of cannabis has been resolved and therefore I look forward to the trials that are taking place in the United Kingdom.

I did feel that the motion was premature and I came here with a view to vote against the motion, but on the basis that I would wish to hear in the future what the present legal arrangement is - the hon. member for Garff has made a number of references to that - I am not so sure that this Bill is necessary in order to achieve what the hon. member wishes to achieve, and I really wish to hear that argument a bit further, Mr Speaker.

Mr Shimmin: Mr Speaker, it is my understanding we are being asked this morning to give leave to introduce a Bill for enabling legislation, and certainly on principle I would always support the right of any member to have leave to introduce the Bill of their choosing. It has turned into, and not surprisingly, a good debate and I am delighted that members have retained a level of professionalism and detail on this which is a very complex but emotional issue. It would have been very easy to be grabbing the emotional headline which certain members of the press or media might play into the hands of. So it has been kept at a good level where there is a legitimate debate on the need for a resolution to this issue and I believe it is appropriate that the member himself is moving this motion as I believe the hon. member Mr Karran's credentials as being a very, fierce, outspoken critic of drugs put him in a good position to be the person who can handle the publicity that might be attached to this issue. I know him to be fiercely opposed to any softening of the drug culture on the Isle of Man. I know that this issue is one we have all been aware of privately for many years and it is right and proper that this chamber discusses it.

I am very impressed with the pharmaceutical advice from certain members, which I do hope that the mover will be able to absorb today and in the weeks ahead, providing he gets permission to introduce this Bill. I do not know the answers, I do not know whether there is a need for this legislation, but there is a need to discuss and find out the answer to that question. I hope that we will support him today and that it will continue, this type of debate, at a healthy level, where we look at the real issue and try and resolve problems affecting in this case a small minority of our community. Thank you.

Mrs Cannell: Mr Speaker, I rise in support of giving the member the necessary vote to give him leave to introduce and to have a look at this piece of legislation. I believe it is a very brave move that the member has made today and I have to say that I do not agree that it is a premature move that he has made today. I think those who suffer with MS and other debilitating conditions do often resort to cannabis for the ease of pain and suffering, and it seems a nonsense to me that those people should be deprived an opportunity of using what has been previously described in this place as a herbal substance for the relief of pain.

There will be all sorts of insurmountable problems, I dare suggest, when the member possibly comes back for second reading and possibly even clauses. Questions have been raised today with regard to the importation, the classification which presently exists with cannabis and all of those sorts of problems, but I believe, sir, that if there is a will today then a way can, should and will be found. I wish him every success and I hope those members who have given him support today will continue to give him support, because I do believe that he will be required to do an awful lot of research on this particular subject in order to put into

legislation the right words to allay all of the fears which have been put to the floor today, but I commend his move, I think it is timely and I am pleased that members have contributed positively to the debate so far. I am happy to support, Mr Speaker.

Mr Braidwood: Mr Speaker, I also rise to be supportive of Mr Karran's motion that leave be granted to introduce a private member's Bill. I do not believe that it is the intention of Mr Karran for cannabis to be imported or to be prescribed so that people can 'smoke a joint', as one might say. We are also very fortunate that we have three pharmacists who have been able to give us advice on the legality of prescribing such as morphine or heroin, also on the toxicity of certain drugs.

Now, it has already been mentioned that there are trials which have just commenced in the UK which will take two years to evaluate, and even the medical consultant of the MS society, when she came on the radio, would not commit herself to the beneficial effects of cannabis, but from talking to people - and it has been mentioned in this House or previously that there are beneficial effects - I do believe, after the trials have been evaluated, the drug companies will come forward with a derivative of cannabis which I hope will be beneficial. They might not be beneficial to people who are suffering. . . I do not know if there are different aspects of multiple sclerosis and the cannabis derivative might be able to help them. It might not help other individuals, but at the present time I am supportive of Mr Karran's motion.

Mr Brown: Mr Speaker, in principle I support the proposal that the member is putting forward here today. Clearly this is an important issue and I think that all of us would support - and certainly that is the view that has gone round the House this morning - the use of cannabis for specific medical purposes under prescription, therefore where they are clearly identified, its benefits, and how it is controlled, and that is fine; I think that is quite straightforward. I have a number of questions, though, and I hope the hon. member may be able to answer them for us in terms of the need for this actual specific legislation.

My understanding is that if a drug is prescribed under the drugs tariff, then that drug is able to be issued by the DHSS and by GPs as a prescribed drug, and I wonder why the member, who is within the Department of Health and Social Security and knows far more than many in this House as to the workings of that department, feels it is necessary to specifically pass enabling legislation when my understanding is that there is already enabling legislation there. I do think it is important that we as a House should not just go through the motions for the sake of it and give an impression out to the public that we have actually done something if there is a provision there. Now, if I am wrong that is fine, because I am not really a hundred per cent sure, but I understand that such a drug could be issued under the drugs tariff and that that situation, if agreed by the department, would then be purely a matter for Tynwald to approve an order, and I would ask the hon. member, who is a member with responsibility for health, could he advise why it is not being progressed through the department in the very area he has responsibility for, and also, if he gets leave to introduce today, can he confirm and make it clear to the House that he will undertake consultation with that department to ensure that the Bill does at least achieve what it is hoped it will achieve?

I think they are just questions that we need answers to because we are being asked to give support to the introduction of legislation, and my concern is that I understand there is already enabling legislation there so that we do not need to do this, and if that is the case, what are we then going to achieve apart from passing a piece of legislation? I think that is an

important answer that we need as to what we are doing here today. I support the principle of what he is doing but, if we can bring it in a method we already have, then surely we should use that vehicle already there.

Mrs Crowe: Mr Speaker, I too support Mr Karran's leave to introduce a private member's Bill but take on board also my hon. colleague from Castletown's point that there may not be a need for legislation.

But the point that I would like to pick up on is that I think the word should not go out from this House that cannabis is a herbal palliative. (**A Member:** Hear, hear.) Cannabis is a dangerous and controlled drug and it can have very dangerous side-effects. We are not talking about comfrey leaves; it is a dangerous drug, and we have not yet had proof, as we have heard from the pharmacists, that these dangers outweigh the use that could be made for the MS sufferer. We have got to make sure that these clinical trials are completed as to all the dangers of using cannabis. I would agree with the hon. colleague from Onchan, Mr Corkill, drug companies would be the first people to institute the research and development of cannabis in a safe form as it would indeed be a profit-maker for them, but I think we should really have far more evidence of its less dangerous side-effects to make sure that we are not putting forward legislation that will indeed seriously damage people. Thank you.

Mr Gilbey: Mr Speaker, as has been said by the experts amongst us, illegal drugs can be prescribed and are being prescribed in the form of heroin and morphine, and no doubt there are others which I do not know of myself. But why can they be prescribed? Because they have passed the necessary tests under the Drugs Act. Now, why should this drug be treated differently from other illegal drugs? Now, my friend the hon. member for Peel, Mrs Hannan, suggests it is because the drug companies have a vested interest in stopping it being used. (**Mr Karran:** Hear, hear.)

Now, the hon. member for Onchan, Mr Corkill, and the hon. member for Rushen, Mrs Crowe, disagree with that, and I would be inclined to support their view because I am quite sure that if there was money to be made through launching this drug there would be a whole mass of drug companies seeking to exploit it.

Now, also, surely drugs are not approved by drug companies. Their use is approved for the Medicines Act, surely, by a UK Government agency and, as a government agency, I certainly cannot accept that it has a vested interest in stopping this new drug in favour of other existing drugs. This drugs agency decides in the public interest what drugs, whether they be illegal drugs or legal drugs, can be prescribed. They go through detailed tests. We have heard that they are doing these tests on cannabis. If these trials are successful the drug will be prescribable. Is it up to us to make a decision that should be made by a skilled scientific agency? We have three pharmacists amongst us who have spoken and one nurse who has spoken, but they do not have the skills and knowledge, with respect, of those who run this drug-licensing agency. The rest of us have even less knowledge. To me, it is not a question of whether cannabis is an illegal drug. As we have heard, other illegal drugs can be and are being prescribed. However, they have been approved by the agency which approves drugs and I am concerned that we, who by and large are very ignorant on these matters, should take it upon ourselves, perhaps in a fit of emotion and wishing to help people, to pre-empt the work of a highly skilled scientific agency, and for us to say that, although this has not been approved under the Drugs Act - which, if it had been, we know it could be prescribed - we

have come to the conclusion, on the basis of an hour's debate in this hon. House, that we know much more than the drugs agency with all the skilled people involved and that we decide that it should be used. I cannot believe this is right. And if we do it, will any doctor who is wise prescribe it? Will he prescribe a drug not approved by the drugs agency in this day of constant suing of doctors? What happens if, because he does and because there have not been sufficient tests, somebody has side-effects?

Accordingly, I have very grave doubts about this Bill. I think we are in danger of being carried away not by logic but being persuaded emotionally to help some people and I am not sure that we necessarily would be helping them. We could be responsible morally if we passed legislation to allow the use of an unapproved drug and that led to side-effects which were serious and perhaps killed people. So I think we should be very careful and, if we have doubts, I think we should have consideration as to whether we should give permission for the introduction of this Bill, because if you have grave doubts and you do not really think it is right there is no point in progressing.

Mr Bell: Mr Speaker, I had felt that all the points had been raised this morning, actually, in relation to this debate and it was not my intention to contribute any further until the previous speaker, who has made quite a bizarre statement that we would be sending out the wrong message to the outside world, that we have come to the conclusion on the basis of an hour's discussion in this House that we should legalise cannabis for medical purposes; the issue this morning is not whether we are going to legalise cannabis for medical purposes. The issue before us this morning is whether we give the hon. member for Onchan leave to introduce a Bill to debate this subject further (**A Member:** Hear, hear.) and I think we should be quite clear on what we are voting on this morning, because undoubtedly, I think, the majority of members who have spoken have spoken sincerely and raised a number of issues which do need further clarification. The approval which I strongly hope that members will give the hon. member for Onchan this morning will enable a lot of those questions to be addressed and for the hon. member at some time in the future, when he comes back with his Bill, to give a wider explanation as to the basis of his Bill and provide to hon. members the answers to the questions which have been raised.

It is a very important issue, this. I do not believe in any way that we are debating an issue whether or not to legalise cannabis. For general use I think at some time in the future that debate will have to be addressed, but for the purpose of this Bill we are looking at the narrow issue of whether cannabis should be provided for the relief of pain to those people afflicted with these terrible illnesses of MS, cancer, AIDS or whatever - a whole range of issues - but I would urge hon. members to keep their eye very closely on the resolution on the order paper this morning and not get deflected by comments from the hon. member for Glenfaba and one or two others. We are here to discuss the issue as to whether or not the hon. member can take this issue a stage further forward and bring back a Bill at some time in the future to give us all the opportunity to discuss this issue in more depth and I would urge strongly that all hon. members grant him that right this morning.

The Speaker: I call upon the hon. member for Onchan, Mr Karran, to reply to the debate.

Mr Karran: Vainstyr Loayreyder, I thank the hon. member for Ramsey for his support and for highlighting that all we are discussing here today is the principle of leave to introduce.

I would like to say to the hon. member for Glenfaba that I am a little bit concerned that he thinks that the hon. member for Peel is wrong as to one of the reasons why there has not been the speed as far as this drug is concerned. I believe a major factor is the fact that drug companies cannot sell produce of this drug at the present time, and that has been a major fact. I think his ideas that somehow it has nothing to do with that . . . When you look at the likes of GPs, if they prescribe certain tablets they are encouraged with free holidays and things like that; I think it is not as obvious that that does not have an effect as far as that is concerned.

I would not like to see the hon. member under the impression that somehow I would expect GPs to be able to issue cannabis willy-nilly. That would not come actually in the primary law; that would come in the regulations, anyway, but I would not expect that to be done at that level. I would believe that they would have to use what medical knowledge and what prescribed drugs can help these people and it should be used as a last resort. I am not wanting to see it done on an easy basis. So I think the hon. member is wrong to give that impression. What I am trying to do here today is actually be harder as far as drug abuse is concerned, because if you have vulnerable people forced into the clutches of drug-pushers because they are trying something to ease their medical condition, you do not just legitimise the legalisation but you legitimise the parasites that are living off our youth in our society as far as some of the people that use them, and I think it is important.

I thank the hon. member for Rushen as far as her input is concerned and I am glad that she will support my leave to introduce. The issue of clarification of the law is something of an interesting issue which I will deal with in summing up.

The hon. member for Castletown brought up a number of questions, and one of the issues is that the DHSS would have to go to the DLGE even if that is correct as far as what legislation is existing at the present time, and it is interesting, when I tried to get the department to do it, which I have a health policy group on, there is a chief executive there, there is a chief administration officer for the health division, there is a chief policy officer for the health division, there is a chief medical officer for health, and we say it cannot be done without a change (*Interjection*) in primary legislation. It is amazing, when people are prepared to stand up and say that something needs to be done, that now there might be some light, some chink of doing it a different way. I believe that the hon. member knows that it is very unlikely that you would get a department to take such a viewpoint and partly, even allowing for the health division to make the viewpoint, I believe it should be in primary law. This has a large amount of implications and there would be cries within this House because it was not coming to this hon. House, I believe.

I thank the hon. member for East Douglas, Mr Braidwood, and Mrs Cannell as far as their support is concerned. I think the hon. member for Ramsey, Mr Singer, has raised a number of issues, but I do believe that one of the major issues why this drug has not been encouraged to be used is the fact that drug companies have not got any produce to sell at the present time and they are powerful organisations on a world stage, not on a United Kingdom stage, and I think that is important to remember.

I would like to thank the hon. member for Garff for his support as the information he has received I am fully aware of, but I am glad that he has seen, as far as a pharmacist is concerned, that he can support the proposal in front of us.

Obviously, the hon. member for Rushen - I am very appreciative of the hon. member for allowing the debate to continue on this issue, because if this issue does not get leave to be introduced today there is no way the Department of Health and Social Security will look at the issue, and I am afraid people know that and I think it is about time some are honest about it, that this will not see the light of day if it does not get leave today.

Mr Cannell: I promised you we would.

Mr Karran: You are not the minister, sir, that is the difference, and you are not the chief executive. The point is that the hon. member for Rushen was quite right in his point as far as the numbers of MS sufferers. We do have a larger number for our population than the adjacent island. It is not a notifiable disease. There is a certain amount of social stigma with it with some people who do not wish people to know they have the disease, so consequently that is why you could not get a true picture at the present time over the true numbers on the Island, but it is an issue. As the hon. member for Peel has said, it is no use expecting the courts to be sympathetic with people buying this produce for their sufferers on the black market at the present time.

I am afraid that is not acceptable in a caring society. I would like to say that I appreciate the words from the hon. member for West Douglas as far as his support; I am not looking at trying to soften our resolve on drug abuse. I am actually hardening it so that we cannot let these people try and make out they provide a social service for a section of people in our community. So I appreciate that and my hon. colleague, Mr Corkill, who does say that it was legal, I think, until 1967 and I think that it was not just the trouble it was causing, it was the effect it might have on the duty that was coming into the UK exchequer instead of smoking tobacco.

The points that came from the hon. member for Peel as a nurse and as a wife of a GP I appreciate have helped the situation.

Mr Downie raised a few points and some very good points. He raised a point about why, as the member for the DHSS and the member for health, we are not doing it down the road of the department way. The fact of the matter is, when it was at health policy it was an impossibility to do anything about it. That is the reason why we are here, and I would hope that the other issue that he must remember is, it is like the difficulties I have got trying to get the reintroduction of nurse training. Now I have got to go back to square one with the Department of Education as a stalling tactic to try and not achieve what is supposed to have been done. This issue would happen with this. This would never see the light of day that way. As I have already said in answer to the hon. member for Rushen, the numbers of MS sufferers on the Island are not clear but are considerable allowing for our size of population.

There are ways of getting around the supply of the drugs. We can go through the Misuse of Drugs Act 1976. We have actually imported under licence recently cannabis for the measuring in certain equipment in the hospital to be able to detect it. So there are ways and there would be another way that would come under the primary legislation as well.

I am glad that the majority of the hon. members in this House will support my leave to introduce. As I said, this is the first stage. There will be a lot more discussion before it comes back to this hon. House. I beg to move.

The Speaker: Hon. members, the motion is that printed at item 15 on your order paper, that leave be granted to introduce a Bill to empower subordinate legislation to be made to permit medical practitioners to prescribe cannabis for therapeutic purposes in respect of specified conditions. Hon. members, 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 Gilbey, Cannan, Quine, Rodan, North, Sir Miles Walker, Mrs Crowe, Messrs Brown, Houghton, Henderson, Cretney, Duggan, Braidwood, Mrs Cannell, Messrs Shimmin, Downie, Mrs Hannan, Messrs Singer, Bell, Karran, Corkill, Cannell, Gelling and the Speaker - 24

Against: None

The Speaker: I think, hon. members, that gives us a full House! In that case, hon. members, the motion carries.

Statistics Bill – Third Reading Approved

The Speaker: We turn to item 16 on your order paper, the Statistics Bill, for third reading. I call upon the hon. member for Rushen, Sir Miles Walker.

Sir Miles Walker: Thank you, Mr Speaker. I am pleased to move the third reading of the Statistics Bill 1998. I would like to take the opportunity of thanking all those members who participated in the second reading debate and indeed the clauses stage debate of this Bill. I do believe the issues and principles within the Bill have been well-aired and there is little point in me repeating them today.

The hon. member for Douglas South, Mr Duggan, wished to know whether or not there was similar legislation in the United Kingdom, and I indicated that that was the case. Since last week I have confirmed that and would just inform the hon. member that the schedule of the Bill that we are considering at the moment is drawn mainly from the schedule in the UK Statistics of Trade Act 1947. That is still the statutory authority for carrying out many surveys in the UK, and the Act remains substantially unaltered since the original version. The Great Britain New Earnings Survey is carried out under that Act and there is corresponding legislation from Northern Ireland. Many other surveys are indeed carried out under that legislation. Some years ago, under Mrs Thatcher, there were moves to make less use of the 1947 Act, which makes co-operation in form-filling compulsory, but that was found to lead to a serious degradation in the quality of statistics produced and the former use of the Act was resumed.

So I would be pleased to respond to any further queries that members may have on this Bill and would beg to move the third reading.

Mr Corkill: I beg to second and reserve my remarks, Mr Speaker.

The Speaker: Hon. members, no hon. member wishing to speak to the third reading, the motion therefore is that the Statistics Bill be read a third time. 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, Sir Miles Walker, Mrs Crowe, Messrs Brown, Henderson, Cretney, Duggan, Braidwood, Mrs Cannell, Messrs Shimmin, Downie, Mrs Hannan, Messrs Corkill, Gelling and the Speaker - 18

Against: None

The Speaker: Hon. members, there are 18 votes cast in favour, no votes cast against. The Bill is now read for a third time.

Independence of the Isle of Man – Debate Commenced

The Speaker: We turn then to item 17 on our order paper and I call upon the hon. member for Michael to move the motion.

Mr Cannan: Mr Speaker, I beg to move:

- (1) That, in anticipation of the United Kingdom joining the European Monetary Union and the European Union moving further towards a federal structure with tax harmonisation becoming an integral union financial policy, the Isle of Man Government be requested to prepare contingency plans for the independence of the Isle of Man within the Commonwealth; such plans to include draft arrangements for the Manx pound to be linked to the United States dollar and a draft brief for the negotiation of a treaty with the United Kingdom for the conduct of the defence and the foreign affairs of the Island by the United Kingdom; and*
- (2) report progress no later than 22nd June 1999 sitting.*

The reason for placing this motion on the agenda is that the time has arrived for the issue of the ever increasing domination of the policies of the European Union needing to be debated in the public arena. For many weeks past the issues of European monetary union, European tax harmonisation and the ultimate aim of certain European countries that the union moves to become a federal state have been debated and discussed on programmes on Manx Radio, by leading figures in the finance industry and articles and correspondence in Isle of Man newspapers. So too has the issue of the Isle of Man's constitution and its relationship with the United Kingdom.

These are issues of fundamental importance to the future prosperity and the well-being of the Island. Members will recall that a few weeks ago the Chief Minister stated in a radio interview that there was no further constitutional advance that the Isle of Man could make other than independence. Members also may recall that a Manx Radio bulletin on 23rd January reported the Chief Minister as saying he had arranged a seminar for all members to discuss the issue of independence. So members have indeed been invited to the seminar and I assume that we will be provided with briefing papers for discussion, and I also assume that the briefing papers will have been prepared by senior civil servants who will have possibly been in contact with civil servants in the United Kingdom.

So the subject of independence is definitely on the agenda and I believe it is important it should be on the public agenda and debated here in this House in public. Here in the Isle of Man we have full employment, a good wage economy, low taxes, a good standard of living, all of which is achieved by having our own independence of jurisdiction and legislature enabling us to determine our own legislative and fiscal policy. The Isle of Man is successful and this success must be protected at all costs. So it is my firm belief that the Isle of Man cannot allow

itself to be absorbed into a European Union moving further towards a federal structure with tax harmonisation becoming an integral union financial policy. The Isle of Man's self-preservation demands that contingency plans - and I repeat, contingency plans - are prepared against any such eventuality. Members are well aware that it is the policy of the United Kingdom Government that they will not now use Britain's national veto to block German-led attempts to harmonise low tax rates. The withholding tax, which is to be introduced next year and which places a flat-rate levy on all offshore investments within the European Union, which is part of tax harmonisation in another disguise, will have an adverse effect on the financial services industry.

And so the question we must ask ourselves is this: if Britain will not use the veto in the battle against common taxes in the European Union, how stands the Isle of Man? Does protocol 3 offer us protection or, as some people now say, the European courts have overriding jurisdiction? If Britain abandons the veto, who then can protect us from those European countries that wish to see the abolition of the semi-independent low-tax islands? That is what we are: we are not fully independent, we are a semi-independent low-tax Island. Now, members may have heard this morning on the 'Mandate' programme a leading UK politician inform - (*Interjections*) - yes, I am sorry, Mr Speaker, I had nothing to do with that programme or have never spoken or had any contact with that gentleman. He was obviously invited to give a view in a democratic country where there is presumably freedom of speech and freedom of comment, something that the member for Castletown finds difficult at times to understand!

Mr Brown: Rubbish.

Mrs Hannan: Not to tell us what to do. They have not got the right to do that.

Mr Cannan: He was explaining on the interview that at this very moment in Brussels under a working party committee - and if you do not believe it go and check it for yourselves - the future of the offshore islands is being discussed. Well, it may be that the hon. member for Castletown, Mr Speaker, does not care whether it is being discussed in Europe or not, but I suggest he should care if he has got the interests of the Isle of Man at heart.

Mr Brown: Hear, hear. Better than you. We have seen you in action! (*Interjections and laughter*)

The Speaker: Hon. members!

Mr Cannan: Thank you, Mr Speaker.

Mrs Hannan: Look at the damage that you did!

Mr Cannan: If Britain decides to join the European monetary union, the Isle of Man will have no say in the matter. The referendum in the United Kingdom will be for United Kingdom voters only. What are the implications for the Isle of Man if it becomes part of the European monetary system with money supply, interest rates et cetera determined by the European Central Bank and the European parliament developing policies which influence any central bank (and so they will be influencing the European Central Bank), policies for tax harmonisation and ultimately a federal structure?

Now, I cannot answer these questions, so what is required and what this motion is seeking the government to do is firstly establish a written constitutional basis of our

relationship with the United Kingdom and by extension the European Union, because at the present time, believe it or not, there is no written constitutional basis for our relationship with the United Kingdom. Secondly, there are legal means of protecting that relationship without becoming absorbed into a European federal structure and subject to European law. Again, how to develop our economy within that framework without compromising our independent jurisdiction and legislature, because it is only with our independent jurisdiction and legislature that we are able to adopt legislative and fiscal policies for the benefit of the people of this Island. We cannot do it otherwise.

If we did not have that, we would be no better or no worse than the islands off the west coast of Scotland, but we have that one advantage, an independent legislature which we enjoy today and an independent fiscal policy and this, I believe, to protect that, can only be achieved by engaging the very best and most experienced constitutional lawyer. If the advice of that constitutional lawyer is that the Isle of Man cannot retain its independent jurisdiction and legislature as a crown dependency with the United Kingdom but instead become absorbed into European monetary union and then ultimately into a federal European union, then the Isle of Man must make contingency plans for independence in order to preserve our survival and prosperity. I have spelt that out. If the advice of a very senior constitutional lawyer examining our status determines that we cannot protect our independence, our independent jurisdiction and legislature being absorbed into Europe because we are attached to the United Kingdom and the United Kingdom declines to use its veto, then we must look to ourselves.

To get that advice, I suggest the constitutional lawyer needs to be engaged now, not some time in the future when it will be too late, because as we heard this morning, the European Union is inexorably moving forward. If some of you listened to 'Panorama' last night, where the BBC put out a balanced programme on the European Union, you too would have seen, hon. members, that the union is moving inexorably forward and the policies of the 11 members of the European Union that are tied to the monetary union have one ultimate aim, and that is a federal structure because the politicians of Europe that were interviewed last night on that programme made no secret of the fact, and the ordinary people in Europe that they interviewed cared less. They wanted one central state. It was only the people of Britain that were interviewed - and it was not anybody in the Isle of Man but there were people throughout England - who appeared to be against such a move by the United Kingdom Government. But there was a balanced programme, balanced for those who were able to understand it.

So one thing I do know: the Isle of Man cannot treat European matters with complacency; the Isle of Man cannot have a policy of sit tight and do nothing and hope for the best and just watch events roll on. Now we come to the really big question. The Isle of Man cannot expect the United Kingdom to look after its affairs and expect its interests to be safeguarded if those interests conflict with the national interest of the United Kingdom. That is self-evident. The Isle of Man cannot expect the United Kingdom to look after its affairs and expect its interests to be safeguarded if those interests are in conflict with the national interests of the United Kingdom itself - *Quis custodiat ipsos custodes?* So, in putting this motion down, I say the Isle of Man must make its own contingency plans to ensure its continuing right to be an independent jurisdiction and legislature because with so many people

outside looking to have this great European Euroland of conformity we must in the ultimate look after ourselves and ourselves alone. I move.

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

Mr Rodan: Mr Speaker, I believe the hon. member for Michael has done a service in placing further into the public arena this important question of the options for the Isle of Man's future. When the United Kingdom joins the euro, as it assuredly will, this will mark the beginning of its journey to complete political and economic integration within Europe, complete co-ordination of its economic policies, including taxation, social and political affairs, within a Federal States of Europe. For many this will be no more than the UK taking its natural place, indeed its only option, as part of the European ideal, the European block. For many others, however, it will be the beginning of the end of the United Kingdom as a sovereign state, as an independent country.

Now, why should this matter to the Isle of Man? Why should the United Kingdom's monetary and economic union with Europe matter to us? Firstly, it matters because the Isle of Man is already in a state of monetary union with the UK. Secondly, the Isle of Man already has economic union with the UK to the extent that we voluntarily choose to harmonise much of our taxation through the Customs and Excise Agreement. Where the United Kingdom goes therefore, the Isle of Man must inevitably be drawn. Therefore the sovereignty of the Isle of Man, that freedom of ours for independent action, if our constitutional relationship with the United Kingdom remains unchanged will inevitably be lessened as a consequence of the loss of the UK's own sovereignty.

Now, we do not know for sure whether that will actually matter. There is a lot of uncertainty, there is a lot of speculation at this stage. I cannot tell today, nor can anyone tell today for sure, that the Isle of Man economy that has been built so carefully in recent years, built up as an attractive place for international business to come and set up, will be disturbed as a result or suffer. None of us knows for sure today exactly what effect the co-ordination of national economies of Europe, the harmonisation of tax policy, will have on the Isle of Man. Indeed, if there are negative effects there may also be positive opportunities for the Isle of Man in this scenario as a place for international business to continue to come and set up. There may be positive opportunities - maybe.

But what we do know is that today our status as a crown dependency puts certain obligations on the United Kingdom Government to protect our interests. We know also that our status as an international finance sector brings benefit not just to ourselves but to the British economy, particularly overseas investment and contribution to the UK balance of trade surplus in financial services and, Austin Mitchell notwithstanding, this is well understood by the British Government. We must keep in mind also that the United Kingdom's own status as a low-tax area and as an offshore centre to non-UK domiciled investors, in other words being offshore to the rest of the world, causes their interests as far as European threats are concerned to coincide exactly with our own. The United Kingdom's defence of their own position and the defence of the Isle of Man and the Channel Islands' position, I suggest, are closely-related issues. The United Kingdom, therefore, at the moment has a vested political and economic interest in not disturbing the crown dependencies, and we are entitled and certainly many political observers do look at the way the United Kingdom resist the declarations of intent, the recent manoeuvres of the European Union, or whatever you want to call them, and of the

OECD, and they look at the way the United Kingdom respond to that on our behalf as a test of resolve to protect their own interests.

But the point is - and the hon. member for Michael is quite right - what if that resolve lessens? What if the UK's duty to represent us internationally and to speak up on our behalf in international forums at which it represents us takes on a secondary importance? Now, there are two ways that conceivably might happen. Firstly, we know there are already moves towards qualified majority voting on such sensitive issues as tax. The loss of the British Government's veto might mean it was impotent to safeguard the interests of the Isle of Man even though it wanted to do so. Secondly, there is the question of political expediency. The attitude of the British Government to European political and economic integration might change from its present stance of today. They might at some point sign up wholesale to the full requirements of club membership. If that happens and the UK accepts the stated German position of today that so-called offshore tax havens have no place in a Europe where the currency and the monetary policy-making is the job of the European Central Bank and fiscal and economic policy-making is transferred and is handled not by national governments but to centralised European institutions, then we might well ask, how well will the present constitutional arrangements of today continue to serve us?

Now, none of this is fanciful. These are legitimate questions for us, as politicians, as representatives of a public which is itself increasingly asking such questions. It is not some politicians or the media that are causing the public to ask the questions; it is not thinking members of the public who can work it out for themselves who are asking these questions and many within the finance sector are asking these questions. The people of the adjacent isle might be sleepwalking into a future as a province of a federal European state. That is their choice, but the people of the Isle of Man are entitled to have their say on any such decision or any such consequence for their country.

The question of independence at some point must therefore be a definite and serious option. Now, I think we are being naive if we do not see it as an option. I have always believed that we need public debate of the issues surrounding this, not behind closed doors, debate not just in the House before any decision on independence can be made. Any decision that government reaches must take on board the considered views of the public, and the views of the public must be arrived at, I would suggest to the public, after rational, informed debate on the facts. There are a whole host of issues wrapped up in this whole question, there are pluses and minuses, there is the question of costs, the question of net advantage, the question of our protocol 3 trading relationship that has served us well with Europe which has to be considered; the Customs and Excise Agreement with which we are locked into our indirect taxation strategy with the United Kingdom has to be considered; the question of nationality for the Manx people, the question of passports, foreign representation - all the issues have to be gone through in an informed way.

Now, at this time the public do not have the facts. Indeed, politicians do not have the facts and a rational informed decision I believe is not possible at this particular time. Therefore I do not believe, as the motion implies, it is simply a matter of a contingency plan for independence to meet an immediate threat. To me that is somewhat of a knee-jerk response, may I suggest, even an ill-considered response, to the admittedly very clear signals that are coming from Europe and while those signals the hon. member for Michael is correct - are such

as to threaten the Island's fiscal independence and our economic well-being, it is not something that is necessarily an immediate threat.

The point has been made by the hon. member for Michael, not in the introduction to the debate but elsewhere, that a contingency plan is an insurance policy to protect just as an insurance protects against loss of life, fire, accident and so on, risks which could fall tomorrow, but I do not believe that plans for consideration of the Island's possible independence should be drawn up as an emergency escape route from an event that is highly unlikely to fall tomorrow. I do not think there is a necessity for plans for independence as a contingency, but there is a necessity for them as a strategic option and arguably we should be doing it anyway.

Now, as to the motion, whether the Manx pound is linked to the dollar, whether there is a requirement for treaties on defence or foreign representation with the United Kingdom - all these are matters for evaluation and this is why I have put down this particular amendment, because my amendment allows the motion to be carried forward in the sense of essential strategic planning by government, but it does reflect the fact that we do need a well-informed public debate taking place in parallel and thorough evaluation of the implications if independence, as an objective - and I believe it is an objective and should be an objective of this government - is to be realised in the overall best interests of the people of the Isle of Man. I beg to move:

In paragraph (1) -

For 'prepare contingency plans' substitute 'evaluate options; and delete the words from 'such plans' to United Kingdom;'

The Speaker: Now, hon. members, I understand that it has been circulated, but the members for West Douglas, and South Douglas also, are indicating that they have not received it. Hon. members, the amendment as moved by Mr Rodan, who has just resumed his seat, says that in paragraph 1 for 'prepared a contingency plan' substitute 'evaluate options' and delete the words from 'such plans' to 'United Kingdom'. I call upon the hon. member for Malew and Santon, the Chief Minister.

Mr Gelling: Yes, Mr Speaker, I have also circulated an amendment on the motion on the agenda and I seek the support of the House for that amendment. The motion on the agenda raises a very wide range of issues. It rolls them all up into something of a doomsday scenario and produces what I would suggest is a fantasy solution on the way ahead. We do need to get our feet absolutely firmly on the ground and, I would suggest, keep them there. It is of no advantage to the people and businesses of this Island if others engage in, I can only say, scaremongering and toying with ill-considered solutions to the problems which are around us.

Messrs Brown and Gilbey: Hear, hear.

Mr Gelling: Now, I must refer to the opening remarks by the mover who said that I had said on Manx Radio there was going to be a seminar. I have written to every member telling them and inviting them to a seminar to discuss these issues. The hon. member Mr Rodan suggests, and he in his contribution kept mentioning, some of the issues, but that is the biggest problem. The biggest problem is they are important issues and an informed debate is what we need, not just dropping these little issues in when members are not aware of what the implications are, and it has been suggested the members that have spoken so far have not got the answers. This is why we need a seminar. This is why we want to recognise what the real

issues are. We need to note what is being done and we need to do this with level heads, and we want to respond appropriately to each of those issues. I have to say again, let us keep a firm grip on reality, recognise that we live in a world where increasing interdependence is the international trend and the europhobia is a failed and, I would suggest, irrelevant doctrine.

I do not want to spend too much time commenting on the motion on the agenda paper for the very reason as I have already stated: there are so many issues that need addressing. However, there are two or three points that I feel I have to comment upon. First of all, there have been over the years several reports available to members which discuss economic and monetary union in relation to the Island. I think we have made it quite clear: for us it is not whether we join the monetary union but whether we keep our currency in line with the United Kingdom. Now, the inevitable and only conclusion is that we do keep in line with the United Kingdom. If the United Kingdom joins the single European currency we will need a currency tied to the euro. If the United Kingdom stays out we will continue to use sterling. Any other strategy, I would suggest, would be absurd. The very everyday - in fact, I would suggest every-minute - trading, commercial, financial and personal links between the Island and the United Kingdom make it essential that we have the same currency. If we did not there would be financial transaction costs to be paid by everyone trading or moving to and from the Island, wherever they traded and whenever they travelled. Every time a person on the Island purchased something from the United Kingdom by, for argument's sake, mail order, their bank would add a transaction cost to convert from one currency to another. I cannot believe that such an idea would attract very much support.

Secondly, the talk of the European Union moving towards a federal structure with complete tax harmonisation is again europhobic scaremongering. No doubt there are those within Europe who have that vision and no doubt, as the years go by, there will be increased integration of the member states into the union, but that does not in itself affect the Isle of Man unless protocol 3 is changed, and there has been no suggestion of any change. Tax harmonisation would need the unanimous agreement of the individual member states. There is not the slightest indication that that is achievable. Indeed, there are clear statements that there are member states who would oppose such harmonisation, and so long as there is one member state opposed tax harmonisation is not achievable. Even where there is an existing agreed union policy to pursue greater tax harmonisation, the member states have failed to deliver. There has been a commitment to a unified VAT system for about 12 years, but they are no nearer achieving their goal than when they set out. Not being complacent, it is a fact. EU harmonisation of direct taxation, in my view, is even a more complex and controversial matter and is not an issue which we need to worry about at this time. That is not to say it will never become an issue. Never is a long time, but unless and until there are significant further developments it is not an issue and I would suggest to members, let us concentrate on matters which are of greater relevance to us.

Thirdly, the notion of a Manx dollar and European Union tax harmonisation are then linked to Manx independence, which is a separate and much more serious topic. The motion scarcely addresses the real issues which we would have to confront if we were to begin to contemplate independence. I am not going to attempt to list and debate those issues now. Independence needs to be evaluated and debated on the basis of a thorough understanding of the implications, and those implications are not before us today. It also needs a clearly

identified wish for independence on the part of the people, and I have to say I see little evidence of any such wish.

Members are fully aware of the Council of Ministers policy in pursuing greater autonomy. They are also aware that the Constitutional and External Relations Committee, as an aid to pursuing that policy, has been seeking to identify and assess the issues that would arise in any move towards independence, also that the committee is arranging a seminar, as I have already suggested, and informed again for members later this month, when the results of the committee's researches will be made known. Now, I think we need to put talk of independence on ice until after we have put that seminar behind us. We can then consider whether we need a public debate on independence.

Independence, I would add, should not simply be seen as a contingency plan. If it has merit, it has merit in its own right and should be pursued as a legitimate policy. External circumstances only should not be a determining factor. That being said, there is nothing in current external circumstances which should prompt us to opt for independence as a better option to our present situation.

Now, the amendment that I propose, Mr Speaker, seeks to focus our attention on the external issues which are of concern to members and the people of the Island and invites the Council of Ministers to list those external issues and our response to them. Now, we can certainly discuss monetary union and tax harmonisation and we can discuss the various harmful taxation initiatives and provide a progress report on how we are dealing with them. I think such a report would be most useful and we could have a worthwhile debate on the various issues. Now, the amendment effectively separates out the issue of independence, which is a separate matter, and leaves it to be dealt with initially by the seminar for members. We can collectively decide what further we should do at the end of that seminar and, if a public debate seems worthwhile, then that will certainly be an option.

I believe that this approach is more rational and sensible than the proposal that is on our agenda, so therefore I would seek members' support today to the amendment standing in my name that would still report at 22nd June, following the seminar, and I would suggest members then will be much better informed, sir. I beg to move:

For the words after 'That' substitute -

'the Council of Ministers report no later than the 22nd June 1999 sitting on -

- (a) developments within the European Union and other international bodies which have potential economic implications for the Island; and*
- (b) the Council of Ministers' responses to those developments'.*

Mr Corkill: Mr Speaker, I have great pleasure in seconding the Chief Minister's amendment to the motion. I have to say that when I first heard of today's motion I have to admit I was surprised. Then I saw the detail and the way in which the hon. mover had wrapped up so many issues and then the way in which the PR machine kicked in, quite frankly I was amazed, but then the hon. member for Michael has a reputation for the unusual. However, this motion deserves and needs an answer in a true democratic way, and I believe the Chief Minister's amendment does that.

When such an issue features in the *Financial Times* and circulates uncertainty around the world as a result, I believe a very firm answer is called for. I cannot and will not stand to one side while some hon. members risk the stability of this Island (**Members:** Hear, hear.) on the roulette wheel of politics. The Isle of Man deserves better than that. The way in which the independence debate is being whipped up into the public domain, without the meaningful balanced arguments and information, I believe is a disgrace, and, as someone who is not privy to the deliberations of the Constitutional and External Relations Committee, I would much have preferred to hear the outcome of those deliberations before contributing to a public debate. However, contribute I now must.

If anyone believes that declaring full independence will somehow frighten off the threats of the EU, the OECD and the UK with its anti-avoidance tax measures, quite frankly they are in cloud-cuckoo-land. (**Several Members:** Hear, hear.) My prediction is that these threats would intensify and we would be picked off and cast aside without a second thought. Hon. members, the current situation demands that we should encourage and strongly force the UK to represent our interests most keenly in this international arena. That, I believe, is in the interests of the Isle of Man, and in fact it is in the interests of the United Kingdom. Debating full independence in this way detracts us from that task of persuasion and lobbying. It is not a luxury, I believe, we should afford to ourselves at this time.

Within the motion there is an assumption of a federal Europe and completely harmonised tax throughout and, as the Chief Minister has said, bearing in mind the time that the single market has been in existence and the gross variations which still exist with VAT, I think we need to realise that tax harmonisation is a long, long way off. Admittedly there are political agendas but we should see the reality before embarking on these knee-jerk reactions, reactions which, I might add, highlight our weakness to our competitors. Of course countries will complain about harmful tax competition when it is in their interests to do so. Their politicians have a duty to their taxpayers. A number of countries are notably quiet on the issue and we all know why if we think about it.

We must not be spooked. We must play the game and nail the arguments and to imagine, as the motion suggests, that the Commonwealth might rush to the rescue is another illusion. A number of those countries are actually involved in OECD and United Nations work with regard to the debate on these issues.

Now, I primarily rose to my feet to make a number of issues available to members with regard to the part of the motion which discusses currency, but interestingly the mover of the motion made no reference to that issue and, more interestingly, the amendment in the name of the hon. member Mr Rodan, the member for Garff, discounts the dollar, and I think that is quite clear for all to see. Therefore I do not believe that it would be of interest to the debate today for me to go through those issues (*Interjections*) or perhaps it would. (**Mrs Hannan:** Yes, it would.)

The hon. mover, who was a former Treasury minister, must, I believe, well know the principles behind the issues of currency. We have a currency which effectively displaces sterling. It is sterling replacement. An independent Manx currency certainly sounds good; after all, a fully independent currency means one would, theoretically, have an ability to influence exchange rates and devise a monetary policy most suitable to meet domestic economic needs. However, the practicalities of an independent currency for an economy as small as

ours are very restrictive. Firstly, our size and the reserves we would need to build up ensure the convertibility of the currency and, secondly, the prospect of exchange rate volatility, which the Chief Minister has referred to, would undermine the economic base. Such problems would not be removed by fixing the exchange rate to another currency. The same factors that would undermine a currency's value in a free market still exist where a currency is pegged to the value of another. I think I would like to circulate this paper to hon. members in due course that Treasury has prepared, but it is quite clear that, because of that risk, interest rates would have to be pegged at a higher rate in the Isle of Man than it, say, would be in the United States, if in fact we are talking about the US dollar.

So there is a lot of downside. We would still have all the situation where a foreign power was actually controlling interest rates. We would have all the downside that we have now plus the uncertainty of that exchange rate.

Mr Speaker, I do hope members will support the amendment. I do hope members will take account of the need for confidence, the need to make sure that the business sector have a confidence in this legislature and that we know what we are doing. With regard to the issue of independence, it deserves a better debate than this and I look forward to contributing to that in the near future, but at this point I am not well informed enough and I look forward to more information being made available and this amendment will allow that to happen. Thank you, Mr Speaker.

The Speaker: Does any other hon. member wish to speak? The hon. member for Ayre, Mr Quine.

Mr Quine: Thank you, Mr Speaker. I may be no more comfortable about the current focus on the Island's constitutional position and on the Island's monetary policies and economic policies than many others in this House, but my concern is not with the debate on constitutional issues per se but with the timing of that debate, timing in the sense that it has been prompted by EU and OECD and other initiatives, for if it were not for this backdrop the issues being debated would not command the attention that they are currently commanding, and there is a plus and a minus to that alone; also, timing in the sense that we are not permitted the luxury of a properly structured and objective approach in examining the issues. Now, I would concede that some persons both inside and outside of this legislature would assert that, to some extent, the timing is of our own making and that this situation simply underlines the need perhaps for a stronger commitment to strategic planning. That may or may not be the case, but that is certainly a position that some hold; I am aware of that.

Now, this issue today is not before the House on my initiative, but I make no apology whatsoever for making a contribution to this debate. The issues are important, they are exceptionally important and I think that members should seize the opportunity to contribute to a debate of this nature. The need for a structured and objective look at constitutional and medium/long-term economic policy have featured for many years in the various manifestos that I have put out, and I think hon. members are well aware of my position on a number of these issues. But I am not here today to promote those, because that is not the issue which this motion brings up for us, and I might say, for the information of the fourth estate, recognising the lack of objectivity they have shown of late, I would simply remind them that in contributing to this debate I am not in breach of the Council of Ministers rules of engagement.

Of course, with the passage of time, the focus around the issues that we are discussing today has changed. When I entered this House the focus was on the Customs and Excise Agreement itself. The issue of the moment then was the need for getting greater flexibility through our indirect taxation. The debate broadened to the distortion of our indirect taxation base resulting from the United Kingdom's tie-in with the EU; then, of course, we have had the Edwards report, for what that may be worth; then it was the EU move for tax harmonisation, and latterly of course the OECD move to eliminate so-called harmful tax regimes. I am afraid with the backdrop of these issues and with the new government in the UK it was inevitable that these matters would assume even greater importance, as they have done, of course, over the last two or three years.

As I said, while I may not welcome the timing - and I stress, the timing - of the present focus on constitutional reform and medium/long-term economic and monetary policy, these questions are before us and they do have to be confronted. I cannot subscribe to the near hysteria from some quarters that claims that such debate is disastrous from the Island's point of view. If, in truth, our business community is so fickle and timorous - and I do not accept that they are - I, along with others, have ample access to the business community - then the sooner we address issues such as these the better, if that is the situation, and I do not believe that is the situation. Business opinion, like public opinion, is far from uniform and no particular members in this House have a monopoly on the right to interpret it and express it, least of all certain sections of the media, whose sole mandate is one to its shareholders. Business people recognise the difficulties on the horizon and, as far as I can ascertain, will draw greater comfort from the knowledge that the issues are being positively addressed, looking to the medium/long-term, than to attempt to paper over cracks or hide the issues.

Taken in the round, the Island has had a close and generally beneficial relationship with the United Kingdom for many years. Without the clouds now on the horizon many Island residents, and perhaps myself included, would wish that situation to continue at least in terms of economic relationships because they have benefited us. Now, many of us would wish to see changes to our political relationship with the United Kingdom and, given our subordinate and politically dependent status, I think that is to be expected. However, in progressing our political development most of us are sufficiently attuned to the real world to realise that in drawing the final equation a balance has to be struck between economic and social well-being and our political aspirations. There is a balance to be struck; there is a cost factor. The truth is that it is unrealistic to expect the present constitutional and economic scenario to remain as it is, for there is movement all around us. There are no firm foundations, comfortable as we would perhaps be standing on firm foundations, and to a greater or lesser extent the position has changed and will continue to change. And this is not peculiar to this Island, for what matters at the end of the day is not that we stand in the position we are today but that what we can offer relative to other jurisdictions is something that appeals to those that wish to do business here, or indeed to live here.

Now, what of our options? It is not my intention, as I said earlier, to indulge in promoting some of my own personal views on these issues; I just wish to take a broad-brush look at it. The hon. member for Michael has put before us one possible way forward and there will be a range of views as to the value of that scenario which he has painted for us in the motion. My difficulty with the motion is that it calls for an investigation of essentially one option. It is

tantamount to indulging in cherry-picking. It does not represent a structured, embracing, objective approach to providing an answer to the various questions. It may be stating the obvious but it may nonetheless be helpful for illustrative purposes to note that the range of options extends from staying within the present constitutional and economic framework to negotiating an independent status with or without UK or EU linkage, and one can build on that or take away from that as you see fit as and when we have before us the information to address those decisions.

It is my own view that, in the absence of greater acknowledgement of our difficulties by the UK and the EU, which is highly improbable - we can hope that there will be a more realistic view taken towards our interests as opposed to theirs but again in the real world that is somewhat unrealistic - against that backdrop I cannot see how our vital economic and social differentials can be maintained within the existing constitutional and economic framework. There are, of course, those who claim that the individual interests of member states will preclude agreement on the current initiative to eliminate harmful taxation.

Could such an impasse within the EU lead to an accommodation for the islands and others? Some would perhaps hold out a prognosis that that is attainable. We would like to think so, but I would also suggest that it would be somewhat shortsighted to put our money on that one horse and I do not think for one moment that that is the intention of the Treasury or of the government of the day. A variation of this theme, of course, would be to seek to rearrange our economic relationships within the existing constitutional framework, even to tweak them somewhat so that that framework could accommodate some rearrangement. Now, if the only shadow was that of the EU, this approach may have some potential, but the OECD, of course, is a different matter but it is a matter that warrants in-depth study, and that is the point that I am making. We could negotiate an independent status with or without linkage to the UK or the EU. Clearly such a position would open the door to a range of new options and new relationships *at a cost*, and that is what we come back to when we look at these various scenarios that open up for us, the cost factor. What is that cost and could we sustain it? Constitutional independence is not in itself a solution to our difficulties, although I do not subscribe to the view that has been expressed here this morning that we can separate them in our treatment of them. I am afraid there is an interface between our constitutional position, economic policies and monetary policies sufficient to ensure that they at least be addressed in harness, if not in parallel. An island we are, but we are sitting on an island unto ourselves, and again it is the real world that we have to come to when we come to these final decisions.

Now, these scenarios bring into issue the Customs and Excise Agreement and protocol 3, which has been referred to by other members. In practical terms the Customs and Excise Agreement is no longer a bilateral agreement. In a large part it has been subsumed by the UK's commitments to the EU because what the EU impose upon the UK, in the context of indirect taxation, is imposed upon us. Now, I have long held the view that this agreement needs to be impartially examined, albeit the requirement today is, as I have suggested, a study on a much broader basis than simply the Customs and Excise Agreement. Protocol 3 remains in being, of course, for so long as the Island is constitutionally subordinate to the United Kingdom; it is part of what was negotiated for the United Kingdom in relation to its European relationship albeit, given a different constitutional status, no doubt another arrangement could take its place.

There is also the monetary consideration which, as has been said, is in the motion although it has not really been brought out in the debate so far: the European monetary system and the euro and, of course, our position in relation to it. We have had the benefit, as the Chief Minister said, of a number of reports, at least one of which dealt with that matter, and these reports unquestionably are helpful.

Now, the tying of a small currency to a larger one, or parity, as it is referred to, is not a new concept. Hong Kong, for over 50 years, has at different times been tied to sterling, and at other times tied to the US dollar. Such an arrangement, of course, has been possible in that situation because of the size and the spread of the economy and because Hong Kong, of course, is primarily a world trader; it trades world-wide. But like, I am afraid, the view of the Chief Minister I remain to be persuaded that such a posture would be beneficial for the Island, given the size and the spread and the location of our activities. I am open to be persuaded, pleased to have a debate on the subject, but I do not think you can draw a parallel between the first example I gave you and our situation.

As I have said, my problem with the motion is that it singles out one option, which in my view is not the way to approach the potential problems that are on the horizon. The need is for a more structured, embracing and objective approach and that is what the amendment, moved by the Chief Minister, appears to me to offer. This is not to condemn the motion out of hand. I am certainly not doing that; I am not condemning the hon. member for Michael's motion; I am not condemning the fact that he has brought it forward. That was his right and it was his decision, and it has certainly led, to date, I believe, to a useful debate. When we get that report, the report that is proposed as a consequence of the amendment moved by the Chief Minister, then we can study it, we can accept it or we can reject it, but assuredly we will be better placed to take a position on these complex issues. Thank you, sir.

Several Members: Hear, hear.

The Speaker: Hon. members, could I have some indication as to how many other members wish to take part in the debate? Right, hon. members, I did think that maybe we could have completed but I think in that case we will now adjourn and recommence our sitting at half past two, the first member to speak being the hon. member for Peel.

The House adjourned at 1.07 p.m.

Independence of the Isle of Man – Amended Motion Carried

The Speaker: Hon. members, we resume our debate and, as indicated before lunch, the first member to speak is the hon. member for Peel, Mrs Hannan.

Mrs Hannan: Thank you, Vainstyr Loayreyder. The motion that is before us this afternoon is quite a complicated motion if you consider the motion in total. It is requesting a report on a number of issues, taking into account the United Kingdom joining the European monetary union, the European Union moving towards a federal structure, tax harmonisation, the Isle of Man being now requested to prepare contingency plans, and I will go on with the rest in a while.

I am concerned that we have had debates with regard to external relations and constitutional matters, and I believe the member himself moved a resolution to set up a committee, in another place and that he has actually been appointed to that committee, and

now we are looking at this sort of area with regard to these sorts of issues and I would have thought, if the mover of the motion is concerned about these issues, that they could be raised in another place. They are things which are being discussed in many places, and I am not saying they should not be discussed here but it is such a mishmash of what we do to solve the problems, if he is assuming that there is a problem, when there is European monetary union.

I would suggest - the resolution then goes on to talk about independence for the Isle of Man within the Commonwealth - he did not relate, as far as I could understand, to the relevance of that within the Commonwealth, and I do not think he went on to illuminate us as to why the United States dollar should be the currency that we move into and, as with any treaty that one would have with another country, we might say what we want but treaties are not very easily agreed to in anyone's terms, and so there are many, many issues that are being looked at.

Now, I would suggest that this debate is not about independence at all; it is about taking ourselves from one situation and putting ourselves into bed with another conglomerate. The United States of America, if you are looking at their currency, cover a federal system. They have different taxes in different places. They have different set-ups in different states, and why should we tie ourselves to that country? We do not trade with that country - or we have very little trade with that country. Our trade tends to be the other way. Granted, in some business sectors there is some trading in the United States. There is also trading in many other parts of the world when it comes to the finance sector, but the rest of our trade seems to be with the UK, with Europe, and the member for Michael, certainly, and the member for Garff, moving the resolution, is suggesting independence and that, to my mind, takes away from the suggestions that are made that we remove from one currency, we move into another currency with all that that will entail. It has not been covered, certainly, by the member for Michael.

With regard to the member for Garff, he wants to evaluate options for independence within the Commonwealth, and I have a great deal of concern with that because it changes very little. We are still linked to someone else. We still have to look for somewhere to trade. We still have an exchange of currency, and there is a cost to exchange of currency, no matter what sort of currency we use. Whether we enter the European monetary union and use emu, there is still a cost when you are trading outside of that currency but, as to trading inside the currency, that would then be easier. I accept it would be harder to trade with the United States than it would be if you had a dollar currency that you could trade with the United States, and I presume that the people who have suggested this move are trading with the United States of America or countries that are linked to the dollar. But, no matter what currency we have, whether we stay with the pound, have the euro or the dollar, we still have a cost to trade, travel, export and interest rates, and if we have not got trade with the European Union, we have a trade through protocol 3, we lose out on that; travel - everyone is affected unless it is within the same currency; export for business purposes is affected if there is a change of currency, and until there is a world currency I accept that there is going to be this exchange of currency cost, but I think it has to be evaluated and it is being evaluated as to where the value is, and instead of looking for a particular currency that one would move into, out of the frying pan into the fire, I would have thought the suggestion made by the Chief Minister is the proposal that we should be accepting today.

We have heard of tax harmonisation and members have spoken about OECD but there are other areas, too, which deem that we have little independence in many, many areas, and it is not just us; there are huge arguments and discussions and trade wars going on with regard to the World Trade Organisation, which was seen to be a step forward from GAT. That does not seem to have happened because of all the anomalies that have come to light because of the World Trade Organisation, and some of the areas there which we will not. . . and certainly the European Union is not happy about with regard to their trading arrangements because of some of the areas that are discussed under the World Trade Organisation.

I mention this purely for the fact that we are not independent and the UK is not independent, America is not independent, and so the discussion about being independent, I think, really comes down to who we are going to tie ourselves to. My idea of independence is different from a lot of people's in this hon. House. I would like freedom from a feudal set-up; I would like to become a citizen of my own country, to nationhood. Maybe I am borrowing Mr Singer's adage of this morning that 'now is not the time' but now is definitely not the time, I find, to align myself to the United States and a lot of what I do not like about what happens in the world in their name. So I would certainly not go along with that. I really believe in evolution, not revolution, and I think we have to be very careful when we are talking about becoming independent and setting up all of these other extra structures.

Independence, or a change of our relationship, brings in many, many changes and responsibilities on the heads and shoulders of the people's representatives, and it is not just a case of lowering taxes and giving everything that we can back to the people. People also expect services. They expect there to be schools and hospitals and buses and even good roads, parking spaces and all the rest of that. It is very easy to provide that while you have got money to provide that and while you can reduce taxes and give people a better standard of living. That will not always happen. There is a possibility of changing the set-up that we have at the moment and reducing confidence not only in the business sector but also our own people of having to raise taxes and make cuts, which is not an easy thing to do. It would not be plain sailing to change the situation as suggested by the member for Michael. I know he is only making a suggestion and that is what he will come back and say, 'It is only a suggestion, something that should be looked at and reported by 22nd June,' and that is fine, but it is the message that it gives out; it is the message that we would want to tie ourselves to the United States dollar and I would say not.

I have no problem with looking at independence but it means 'what price independence?' and the way the member for Garff is suggesting. We have something here which is superior to other jurisdictions and I think we should prize what we have, try to continue the development of what we have but I do not think just rooting around and throwing everything up in the air and seeing how it comes down again is the answer and the way forward. I prefer a much more mature approach than that and I would hope that this House will have a mature approach to this particular issue.

I would urge members to support the amendment moved in the name of the Chief Minister that these issues be looked at and that the Council of Ministers responds on these developments. They are not going to be so attractive that they are going to make the front page of every newspaper throughout the world or be bestsellers. It is straightforward practicalities of the way in which we are working at the moment and the way that we can move

in the future, and I hope that members will take a mature and responsible attitude towards how we develop in the future. Thank you, Vainstyr Loayreyder.

The Speaker: Hon. members, I want to make it quite plain that in fact the hon. member for Garff, whilst he moved an amendment, has not had a seconder and it is therefore not before the House at the present time. I call upon the hon. member for Middle.

Mr North: Thank you, Mr Speaker. I am sure the hon. member for Michael could never be accused of political opportunism, but this particular debate is an ongoing one, it is something that I do not mind and I do not think it does any harm to debate it here at all. What I do have a concern about is that, as the Isle of Man has grown over the last few years, we talk within this hon. House or another place, we talk to local journalists, but when you start going outside the Island and you start going on national television and on national radio and into newspapers that do go worldwide, then we are in the big league and we have to be very careful about the messages that we send out to people who live and work here on the Isle of Man but do not have the allegiance to the Isle of Man that we all in this hon. House have, and I think that is something we have to be very careful of over the years.

In my opinion, there is only one way forward. I just do not agree with the hon. member that we prepare contingency plans. I think what has been achieved over the last 12 years should be continued. It is continually being worked at. We are advancing and we have to learn that we are in a global market - that sort of hackneyed phrase. We cannot pull up the anchor and sail away. It just is not like that. The real world is here, it is outside and we have to learn how to be in. . . when I say 'the big league' we are tiny but we have to learn how to operate and work with everybody outside, and there is no excuse for not talking to other people, getting to know them so they know what our situation is all about and that, I am afraid, has in the past been one of our failings.

This whole debate about independence is, to a certain extent, precipitated by the way that the Edwards review was actually announced. Independence, in my opinion, was not on the agenda until the beginning of last year, and just the way that it was announced, the almost cack-handed way that it was brought out - and I know we have had the apology since - put it on the agenda and brought independence forward onto the agenda and probably brought it forward by 10 or 15 years. I personally would like to see independence but I personally believe that it will be 20 to 30 years from now. Who knows the timescale but, hon. members, we have to earn it. We cannot just pull up that anchor, as I have said, and for the hon. member to bring this back - I think it is good to have a little debate about it because it is a changing scene all the time and there are a lot of concerns, certainly now more than a month ago, outside about what on earth is going on on the Isle of Man. I am sure a lot of you, hon. members, have talked to people in the finance sector and insurance and business, and they are just a little bit concerned about that.

What we have to be very careful of is this: we have the private sector here and we have the public sector. Now, in the private sector you have managing directors, chairmen, working on the Island for international companies. Those people do not make the decisions as to whether company A, B or C moves off the Island is taken off the Island; they are not made by those people on the Island, but what we have to do is to make absolutely certain that those heads of banks, insurance companies, whatever, working on the Island fully understand where we are coming from and we need to communicate with them as much and as soon as

possible, all the time. They come and they go. Some come here for a few years, some retire because of our wonderful quality of life, but we have to make absolutely certain that when they are talking to their head office they fully understand - and I have to say a lot of them do not, their ignorance is quite frightening sometimes - we have to make sure that they know what they are talking about and where we are coming from.

Now, that is the private sector. On the public sector we have to do exactly the same, in that we need to talk to people in politics, in government all over the globe, and a lot of our markets are not just in London and they are growing all the time, and 10, 20 years from now they will be even better and we need to make absolutely certain because the ignorance about the Isle of Man. . . and I know the Chief Minister has had it from those early day motions; the replies that he got were almost unbelievable, their ignorance about the Isle of Man. I will not go into detail, but if I could just briefly illustrate one of the problems we are up against. I called for, actually, a report on this particular meeting, but I just had a brief outline that we had a meeting in London this last week with a particular body and some members of the UK Government were there as well, and we were being questioned very fiercely, the Isle of Man, about our position on a particular subject, and accused of all sorts of things. One of the representatives of the Isle of Man there said to a particular gentleman, 'Well, why don't you come over to the Isle of Man and we will show you just what it is all about and we can talk to you?' and the chap said, 'Oh, no, no, no. I live in Portsmouth, I can see all that goes on on that island.' That is the sort of ignorance. He thought that the Isle of Man was the Isle of Wight, and how often does that happen? These are people who are criticising the Isle of Man and they do not even know where we are! So we have to make sure that we communicate with people outside and we need to do far more than we have done to be able to have the useful objective of working with governments and particularly the United Kingdom Government.

Now, the United Kingdom Government has a problem, which I think the hon. member for Garff alluded to when he said that we have to come second, and that is true and it does concern me sometimes that we are out in a commercial market, trying to bring in business, and the United Kingdom are extremely useful and helpful, various departments, but when they are in competition with us they do have a problem, and I am not sure how they get over that. Some of their objectivity sometimes leaves a lot to be desired and I think we have to work at that all the time.

The hon. member for Michael did not mention, as somebody said, the dollar, but I really do think that when he thought up that idea - I know he tells me he has pleasant dreams sometimes but I think that night he must have had a nightmare, because the whole idea of us linking to the dollar, if you just think it through, would not work, no way.

So to sum up, I do believe that we have earned the position we are in today. If we want to go further, which I want and I think every other member in this hon. House does, then we have to work at it, is no use talking about preparing contingency plans. That sends out the wrong message. Fine, talk about it, talk about it as much as we like, but do not start talking about contingency plans and dollars. Keep our feet on the ground, as the Chief Minister said, and let us just keep working along that road, building up a reputation which we already have, improve on that and just try and kill the ignorance that exists about what we all know is something that we can be genuinely proud of.

Mrs Cannell: Mr Speaker, I will just be very brief. I am not an authority on issues such as this, only being a relatively new member in this House, and I stand with respect to those who are far more familiar with this issue and this sort of thing than I, but I am pleased, in getting to my feet, to second the amendment put in the name of the hon. member for Garff because I believe it is important that we have a choice of options, and the one thing I do like about this particular amendment is that it still incorporates a part of the first part of the motion which is before us and, of course, in so doing it calls upon the Isle of Man Government to evaluate the options, and I think that is important. I think a proper evaluation of all the options available to us should be properly evaluated, and so I am happy, as I said, to second that.

However, looking at the amendment moved in the name of the hon. Chief Minister, I suppose again it has some merit, but a little bit concerned that again it is being proposed that the Council of Ministers look into the issues and that the Council of Ministers' responses to those issues and those developments then be brought forward to a subsequent meeting of this House in June, and I believe the Council of Ministers should have enough to do in the ordinary day-to-day running of the Isle of Man Government and its departments and other pressing matters, and so I think it would be more appropriate to perhaps leave it a little bit more open into who should be delegated responsibility for actually looking at this.

There is one comment I would just like to make, and that is following the speech made by the hon. Chief Minister earlier this morning when he moved his amendment. He was talking in relation to all sorts of implications, and he mentioned protocol 3 and he said there was no suggestion of change in relation to protocol 3, but I would like to put this to hon. members: there was no suggestion over a year ago that the Edwards review investigation would take place. That was never suggested, but that was launched upon us in very unsavoury circumstances, and I hate to be the one to keep harping back but I think that was a very, very big statement made at the time.

I do not take any comfort in any of the verbal reassurances that our Chief Minister and his delegation received but a week ago. I feel happier when I see these things affirmed in writing. Then I feel confident about where we are going and what is the best course for us as an island, but I think we have to listen to some of the words spoken by the previous speaker, the Minister for Industry, because he, like myself, on the department is very aware of the feeling of uncertainty within parts of the industry and I feel it is incumbent upon us as a government of the Isle of Man to be taking seriously those concerns and to be doing all that we can to allay any concerns by taking the bull by the horns and being proactive, not merely dismissing it, it will never happen, there is no suggestion, there is no question, and the UK has to look after our interests because of all the interests they have and vested interests they have in us. I think the industry and the people of the Isle of Man are looking for something a little bit more determined, and I am not advocating a radical move here but a more determined move, a more reassuring move that we are taking their concerns seriously, to the point that we are evaluating all of the options for the Isle of Man, whether they be towards independence, greater independence or remaining in the status quo, and that is the message I would like to go out from this House today - that we are taking the issues seriously and that we are not considering them in a frivolous manner, as might have been the message before lunch time today. Thank you, Mr Speaker.

Sir Miles Walker: Mr Speaker, the thing that concerns me about this debate, I think, is similar to that which concerned me in the run-up to our sexual offences debate and the debate on the birching issue, and that is that people outside the Island could not take us seriously. They were looking for opportunities to snipe at us. They are saying, 'Isn't it a quaint place? Isn't it curious? Isn't it interesting?' and I have to say I do not think that sort of international debate is useful for us at all, and it seems to me that there is a danger that the Isle of Man seeking independence gets the same sort of column inches as those other subjects did some time ago. So I think I agree with the hon. member for Ayre, Mr Quine, and others who have said that they think that this debate is not well-timed and I agree with that, but that is not in our hands, that is in the hands of others, the debate is here and we need to respond to it.

As far as I am concerned, Tynwald have had a long-standing declaration on the way forward, a resolution that has been carried on a number of occasions which very clearly states that Tynwald sets out to seek more autonomy for itself over a period of time. Now, members know the resolution I am referring to. And the Council of Ministers and Executive Councils over the years have been working to that agenda and have nibbled away at the edges, found a way forward, measured the advantages and disadvantages of the move and so on.

We are now looking at something far more than that and in my heart I am not certain that we ought to be. As far as independence is concerned, I would like to see this Island achieve that, and I would like to see it because we are the people, we are the members at the moment that our people vote for. They do not vote for Members of Parliament, they do not vote for a member in the European Parliament, they vote for us, and it seems to me that if we can arrive at a situation where we make the decisions, or whoever sits here in our places makes the decisions in the future, that is the right and proper thing to happen. But each step we take that moves us away from the situation that we are in today and that has been negotiated and developed over many years, has to be weighed up very carefully and the advantages and the disadvantages need to be considered.

Now, I suppose we all get irritated at the progress of change, but I do believe that it is the best for the Island. We are in for evolution, not revolution, as is often said. No more important subjects should that apply to than this one of independence. I do not believe that to achieve independence will overcome the perceived threats that there are out there to our economy today; I just cannot believe that that is right and I agree with the Treasury minister when he stated that if we were a small independent island we would be knocked off so quickly we would not have time to turn round.

The resolution talks about linking our Manx pound to the dollar. I do not think the hon. mover made a case for that and I would be interested to know his thinking, because I cannot comprehend it, I have to say. Why not the Swiss franc? At least they are a little closer. Why the American dollar? I know it is a stable currency, obviously, and I suppose there is a lot of benefit in that, but so will the euro be and, if we were an independent island with a euro in circulation or perhaps substituted by our Manx euro, then the EU as it is would have no power to make us harmonise or to make us alter our situation unless we have some further agreement with the community.

I have to say, thinking about an independent Isle of Man, I am sure some further arrangements and agreements would have to be put in place. I can think of Liechtenstein, a small sovereign state with a population of 30,000 people and an area of 61¹/₂ square miles or

something like that - a sovereign state, but they do have customs and monetary union with Switzerland (*Mr Downie interjecting*) and they are members of the EEA, which makes them trading partners of Europe. All those relationships mean that there are strings attached, and that even though they are independent they have to conform and conform in very many ways. In 1995 Liechtenstein joined the EEA, and they are still amending their laws and so on to conform fully with what is expected of them, and they are doing that.

So there are pros and cons. I do not believe it is possible to be fully independent any more. We can be an independent nation within an interdependent community, and that is fine. We should be setting out to achieve as much autonomy as we can for the sake of our people, who are out there voting for us and expect no less of us, but they do expect us to weigh up the advantages and disadvantages of our present position, and I would like to sight just two of those which seem to me to be very fundamental and which, I think, in a public debate are very difficult to respond to.

The first one is nationality. If we were an independent state, those of us with Manx parents and grandparents who are not married to people with British passports would not be British. Presumably we would be Manx, and maybe there is nothing wrong with that, but there are some, as I understand it, 12,000 souls in this Island who would have no claim to be British. They would have no rights to go to the United Kingdom to seek work; they would have no rights to settle in the United Kingdom. I am not one of those, because my mum and dad were both born in the UK, but there are, as I understand it, about 12,000. So that nationality issue is one that needs to be considered very, very carefully, and I am sure we can find some country to represent us internationally with their embassy of whatever. I think there is a proper way out of that particular difficulty, but I do think that the loss of British nationality to everybody that lives in this Island is a serious issue.

I suppose the other issue which seems to me to be a difficult one and one that is hard to respond to is, 'What would our relationship be with the European community? What could we negotiate? There would be nobody else out there negotiating on our behalf. What situation could we negotiate with the European Community that would allow our agricultural goods to be exported to it and that would allow our industrial goods to be freely exported to it without being outside the common tariff ring? We do not know what the answer to that is. One thing is certain: that we could not continue with protocol 3 and our relationship through the United Kingdom, because we would not be a Crown dependency any more. So there is a negotiation to take place there. Perhaps, like Liechtenstein, we could join the EEA. Now then, why should the EU and the UK welcome us as trading partners? What have we got to contribute to that partnership? We do not know the answer to these questions, and I just raise those two issues, as I think very fundamental ones, that those who talk glibly about seeking independence and 'wouldn't it be a good thing?' need to think about.

Now, I think this debate is unfortunate because of its timing and because I do not believe that an informed public debate is possible at this time. (**Mrs Hannan:** Hear, hear.) I am sure we do need an informed public debate in due course, and the sooner we can get an answer to some of these questions the better it will be, but when I hear people ringing up the radio station like I did on Sunday and I was in my motor car and so could not respond (because I think I might have been tempted to) saying 'If we follow the UK into Europe we will be overrun by a load of out-of-work Turks.' (**Members:** Hear, hear.) That sort of statement is made and,

quite honestly, it is absolute clap-trap. If the UK adopt the euro, as I am sure they will in due course - and other speakers have mentioned that - that will not alter protocol 3, that will not alter our relationship with the UK, and whoever else was on the radio or the presenter either did not know that or did not wish to respond in that way to the caller, and I have to say untold damage is done to the debate, to the cause and to this Island when statements like that are made.

The hon. member for Ayre said that no one of us had a right to speak for the business sector. I agree with that. We all get out and we talk to people, not only in the business sector but in the community. The business sector, in my view, is concerned at the debate because of its uncertainty. (**Mr Gilbey:** Hear, hear.) I think that is a problem and an economy like ours has grown up on certainty over the last eight or 10 years, and I think that to do anything which undermines that certainty is unfortunate with the other perceived threats which are about us at this time. Nobody owes us a living. We have got to get out there and earn one and we have got to be mature, and we have got to inform people as well as we can over some of the questions that are facing us.

Now, we have a resolution and a couple of amendments in front of us. The hon. member Mrs Cannell made a mention that she did not think it ought to be the Council of Ministers that did this work. I have to say in my view it has got to be fairly and squarely a responsibility of our government, of the Council of Ministers (**Mrs Crowe:** Hear, hear.) to address this one, and I certainly support the amendment moved by the Chief Minister which is, as I see it, a continuation of Tynwald policy laid down over very many years, and I look forward to participating in the work that will take us forward to 22nd June.

Now, Mr Speaker, I am sure any member of this hon. Court and any member of our community who has been concerned that nothing is happening over the last couple of years, just has not asked, has not found out, because I know the amount of work that Treasury have put in, looking at the taxation, the harmonisation proposals, the unfair tax competition, all those issues, and I know how much work the Council of Ministers and the Chief Minister has put into the constitutional side and those investigations, and I do believe that the debate in June will allow the Chief Minister to explain exactly what has gone on. But, Mr Speaker, I would just give the assurance that nobody is sticking their heads in the sand. This work is continuing; the mover of this resolution, I would suggest, knows the work is continuing; the Chief Minister has told us the work is continuing. He has written to us all. He has invited us to a seminar, not to find a conclusion to the debate, but to see if we as individual members can identify any more questions, any more problems that we need to find a solution to that he and his team have not already found,

So, Mr Speaker, let us keep our feet very firmly on the ground. Let us treat this subject with the seriousness that it demands and let us find a way forward. I am sure we can do that, but it will be by evolution and not revolution, sir.

Mr Cannell: Mr Speaker, I doubt if I can add much better words to the proceedings, and you might be tempted to say 'In that case, sit down,' but I come from the point of supporting one of the amendments and there have not been too many speakers in that regard, so of course I reserve my right to do that, but I shall not be running over many of the points that Sir Miles most eloquently made. However, I do not think it does any harm to go back to where we started this morning on this one. We started with a pretty sweeping move by the hon. member

for Michael, and he was telling us how he wanted this link to the dollar. We did not hear very much of it other than the printed resolution on the paper and the Chief Minister described the motion as a fantasy solution, the Treasury minister said it smacked of some kind of roulette and would cast us aside from our neighbours, and so we have the amendments which come before us.

Now, we have here an amendment by the Chief Minister, and that appears to be going to probably carry the day because, as we have heard, we are being urged by no less a person than the preceding Chief Minister to adopt that stance, and I consider that we would be very remiss to do other than that, but I still would say that in support of all that the motion carries, the amendment by Mr Rodan appears to satisfy both camps. As far as I am concerned, I am not compromised one little bit by the amendment to be moved by the hon. member for Garff, because all he says there is prepare such plans; 'evaluate options' is what he says, instead of preparing contingency plans. The evaluation of options is what we are - I hope, anyway; I try to see it as my duty to do that - doing all the time. Every minute we sit in here, we are evaluating options primarily - I hope, anyway; certainly I do it - on behalf of the people who voted me to look after them. That I regard as my primary duty, and I also take cognisance of the further international atmosphere to see if it does sit with that easily.

Now, I think probably most people would say that linking the Isle of Man to the dollar, though there is some support for it - and I have heard eminent people say it is not such a bad idea; it is not a Disney dollar, it is a proper dollar we are talking about here, which is a respected international currency, and I do not think it is quite the laughing sort of idea that some people have portrayed it as being - could actually work, but we are being urged by the experts that it is not the way forward, and I am content for once to rely on them rather than perhaps putting forward an opposite point of view. In the mention of the seminar, which is forthcoming - and for a long time I was relying on a note from the Chief Minister which said 'Confidential' and I kept my part of it, but then I heard in various places what we were going to do, so obviously others did not. So if it is no longer confidential you do not need to go far down the letter, this is no breach whatever, it says when it starts off that the Constitutional and External Relations Committee of the Council of Ministers has for several months been looking at a range of issues under the general heading of 'Aspects of Independence.' These issues are all matters that would need to be given serious consideration if the island were at some stage to seek independence or indeed the question of independence were to be seriously addressed, and although I came this morning with not the slightest notion of a full-blooded debate on independence, in fact, it has not been far off it. For a preliminary it has not been bad at all and it has got more serious as time has gone on during this debate.

But the notion of Congressman David Cannanberger's dollar appears to be set to one side temporarily, so what are we left with? We have Mr Rodan's amendment or we have the Chief Minister's amendment. Now this is the number one subject. We were scrapping amongst each other recently with the same persons to the fore, but now we have them apparently settled down, and the top consideration, although Sir Miles has rather pointed to it, I was going to say is, would independence be accepted by the international community? It is not a question of just us saying we are going to do it; we have to have it accepted elsewhere as well, and that undoubtedly will be one of the prime facts when we come to it. Without trying to plug my own department, one of the main items is going to be - and I have a paper which I called

for on the very subject from the manager of the social security department - the issues relating to independence. For someone who writes very briefly and succinctly puts points there are two pages there; that alone would be an afternoon's debate, just those issues, and there are hundreds of others.

So yes, I agree, we cannot rush through anything this afternoon. We are not voting for independence. We are not going to Douglas Head to run the flag up at teatime, it is miles away from that, Miles Walkers away from that - very, very good on summing up of that, but I would, rather than scrap the amendment to be moved by Mr Rodan, still urge the House, please, to consider it, because all it is doing is saying 'to evaluate the options'. That is what it is saying, it has stopped short then on that, never to go again, after 'prepare contingency plans.' It does say rather vaguely, I am afraid, Mr Cannan, 'the Isle of Man Government' and, as you know, I have my own interpretation of what that might be, whether that is just the Council of Ministers or whether it is all of us. I was told recently the government is the Council of Ministers, we are the parliament; so be it. But it does say 'the Isle of Man Government be requested to either prepare contingency plans or evaluate options' and I do not think evaluating options is any problem whatever on that. That is exactly what we wanted, certainly what I want anyway. It is for those options to be explained to me by those who have the expert knowledge of it and I do not think there is any problem with that.

Now, the Chief Minister says he wants his own version of the amendment there to say, 'the Council of Ministers report' - that is the same - '. . . developments within the European Union' et cetera, but I still think Mr Rodan's amendment fits the motion better than the Chief Minister's one. I am happy to go with either; if Mr Rodan's is not acceptable I shall vote for the Chief Minister's amendment, but I certainly shall not be voting for the motion as printed.

Mr Bell: Mr Speaker, I think most hon. members are aware of my political roots, which stem from a great many years ago and my involvement with Manx nationalism at that time. It is quite interesting to hear this debate today, because 25 or 30 years ago nationalists would have been dancing in the street to think that a debate like this would actually be taking place in the House of Keys, because independence or any recognition of the special Manx position was anathema to most politicians in those days, so we have come a very long way since that time. Certainly, as a former Mec Vannin member and activist I think nationalists everywhere would take their hats off to Mr Edwards and the galvanising effect his activities have had on nationalism on the Isle of Man (*Laughter*). He has done certainly far more for the Manx nationalist movement than Mec Vannin ever managed in 30 years (*Laughter*), so I think we should recognise his achievements in that area if nothing else. (*Interjection*).

But in a way I have a feeling in some respects of déjà vu in this debate and what is driving it forward. I will try just to bring in a couple of perhaps slightly different points to what we have discussed today, just to try and put it in some perspective. The drive 30 years ago for recognition of the Manx identity and for more independence for the Isle of Man - and I say 'more independence' rather than 'independence' - was driven firstly by the desire to establish a Manx identity, but it was also driven from the economic perspective of the time, when the Isle of Man was still in a very depressed state economically and we were fighting hard to see that the benefits of the fledgling new resident policy at that time started to feed their way through to the Manx population at large and our own people were starting to benefit from it.

I believe that the Isle of Man since those times has been very successful, but if we look at what has happened over those 30 years there are really two threads. I am not saying that the nationalists necessarily should take credit for it, but certainly they sowed the seeds of a movement within future Houses of Keys to establish greater constitutional freedom from the United Kingdom, and I am absolutely convinced that every step of improved constitutional freedom has led to enhanced economic performance within the Island itself, and I still believe that is the case. Nevertheless, we should recognise that those constitutional advances have been made. The Isle of Man has come a very long way since those days and, without the efforts put in over the last 20 or 30 years by successive Houses of Keys, we would not be in a position today here to be debating whether or not the Isle of Man should go the final step for independence. So we have made constitutional advance and it is wrong for anyone to give the impression, or have the impression, that very little has been achieved.

The other thread, Mr Speaker, though, is an economic one and it is very easy for us all to be standing here today arguing for the option of independence or linking to the dollar or whatever it might be, but we should not lose sight of the fact that the economic strength which we enjoy today is, in fact, an extremely short-lived economic strength. I was privileged to be elected to the House of Keys nearly 15 years ago now, and at that time the Isle of Man had £1 million in reserves. (**Members:** Hear, hear.) We had nearly 2,000 people unemployed (**Mrs Crowe:** True.) on the Island at that stage. (**Mr Cannan:** Nearly 3,000.) We had very little money in the government coffers to provide social services, to provide all the whole range of services which this government is so proud of today and which our people by and large take for granted. It is only 15 years since we have come from that extremely depressed state to the position of relative buoyancy which we enjoy today. In real terms the major increase has come in less than 10 years.

So although we look outside and we see new office blocks being built, we see new housing estates going up, we see millions of pounds being invested in the Isle of Man, it is still a relatively new experience for this Island, and this growth and boom which we are experiencing is not at this stage, I believe, deep-rooted. We need to recognise that because, above all, whether we are independent, whether we retain our present status or find some other way forward, we have to recognise our duty first of all to safeguard the prosperity of the people of this Isle of Man, our own Manx people and indeed the business which trades from this Island. We need to be very careful about the message we send out from this hon. chamber, because, as I think the hon. member for Rushen, Sir Miles Walker has said, the benefits which we have gained in the last 10 years have come largely on the back of political stability and economic consistency.

I fear that some of the messages which have gone abroad in these last few weeks have become increasingly hysterical, to the extent that whilst industry generally has had legitimate concerns about what has been happening in Europe and in the United Kingdom, they were not unduly concerned about the behaviour of the Isle of Man Government. I believe that has changed now and there are real concerns being expressed, certainly to me by the business community outside, as to the stability of the Isle of Man Government and its consistency of policy, and that is something we should be seriously concerned about. We have this overriding responsibility to protect the economic base of the Isle of Man, to maintain our way of life and indeed to maintain or develop what level of independence we currently enjoy.

Mr Speaker, I did say that I have a feeling of déjà vu in relation to this particular debate, and I go back once again to the nationalist circles of the early 1970s, some 25-odd years ago. At that time Manx nationalism was strongly supported throughout the Island. It was by far the largest party. We had politicians in government, at local government and we had a strong voice on the Island, but I have to say there was an element which attached itself to Manx nationalism in those days, pushing very hard for greater independence, helping to finance it, signing up members, giving vocal support to our activities, but that group was not Manx people; it was not our own people, but it was a large number of people who had recently immigrated into the Island from the colonies, from Southern Rhodesia and from the Far East. As the colonies were closing down they were coming back to the Isle of Man and they were fuelling the debate for independence for the Isle of Man, because at that time there was a Labour Government in the United Kingdom (**Mrs Hannan:** Yes.) and they feared any association with that particular government, and I would just point to some of the similarities which are driving this particular debate forward today, or certainly have been over the last few weeks. We have had, I believe personally at least, unacceptable interference in the internal affairs of the Isle of Man by disaffected Euro-sceptics from the United Kingdom (**Several Members:** Hear, hear.) whose policies have been totally discredited and beaten at the ballot box in the United Kingdom, and they are now turning their attention to the Isle of Man in the same way as the ex-colonialists did in the 1970s. (**A Member:** Hear, hear.) We see that in some of the correspondence and comments in the local press, and I am sure many of us may well indeed have entered into conversations with people on the Isle of Man who have a similar sort of motivation.

I believe that if the Isle of Man goes independent, the basis of its argument for independence has to be solely and utterly the well-being of the people of the Isle of Man, the Manx people and the long-term benefit of the Isle of Man generally. (**Mr Cretney and Mrs Hannan:** Hear, hear.) We should not be fuelling a debate on independence based on an antipathy to the European Union, on an antipathy to a Labour Government in the United Kingdom. It has to be a pro-vote for the people of the Isle of Man, for the long-term benefit and welfare of the people of the Isle of Man.

I find it is equally offensive to me to have a group of failed Tory Euro-sceptics interfering in the internal affairs of the Isle of Man (**A Member:** Hear, hear.) as I do with maverick German politicians. I put them in the same category. I thought, just hearing the radio interview this morning of John Redwood, which was held up as something we should have welcomed by one of the speakers today, to be quite outrageous, frankly, (**A Member:** Hear, hear.) and it is something which does not help logical and rational debate within the Isle of Man to ascertain what the best way forward is in the current climate. The welfare of the Manx people is paramount in this debate and I believe we all have a duty to our electorate to make sure that these external influences are not allowed to dictate the rate and pace of the debate as to what the way forward is for the Manx people.

I do not believe it would serve any purpose to go over the arguments which have been well-rehearsed and well-expressed by previous speakers as to the pros and cons of the resolution today particularly, other than to say that it does alarm me somewhat that several members have described this debate today as an independence debate. I very much hope that it is not seen as an independence debate. This at best should be considered a preliminary

debate to ascertain the true facts and to get a true picture of what threats and opportunities are available for the Isle of Man, a fact-finding debate and no further, because a debate on independence is probably the most important debate any elected government would ever have to face and it is absolutely vital, if such a debate is to take place at whatever time in the future, that that debate be generated by well-informed, mature, clear-headed thought and not driven by emotion or external factors. Therefore, I would urge members strongly to reject the resolution as set down on the order paper, because I do not believe that is the way forward at all at this particular juncture. I think we need a period of clear-headed thought with our feet on the ground, clearly recognising that we need, as many members have brought out, a better grasp of the facts, a better grasp of the opportunities, a much clearer understanding of the threats as opposed to the rhetoric we are hearing from outside, and then perhaps the time at some stage in the future will come where we can sit down and rationally debate this particular issue. As I say, I believe this issue is probably the most important issue any government would ever be expected to undertake (**A Member:** Hear, hear.) and I do not believe we are well enough prepared at this juncture to embark on this debate at this particular time.

There is perhaps not a great deal of difference between the two amendments, but I would suggest that hon. members give strong thought to supporting the amendment put forward by Mr Gelling, the Chief Minister, because at least that does set a time limit on the deliberations and will guarantee a report back to members with a full evaluation of the relevant facts. The problem with the amendment from the member for Garff, as I am sure he would accept, there is not the same, at least as I understand it -

Several Members: Yes, there is.

Mr Bell: Oh, is there? Sorry, I withdraw that. I misread the thing. Fair enough. I will be supporting the amendment by the Chief Minister. I believe this is the best way forward. In spite of what members might feel, a tremendous amount of work has already been done by the officers of the Council of Ministers. There is a lot of information there which I am sure members will find when the seminar is held shortly. I believe this is the best way forward and I would urge hon. members to support that.

Mr Gilbey: Mr Speaker, I was not going to speak in this debate as I entirely agree with the remarks made by the hon. Chief Minister, the Treasury minister and Sir Miles. I would, however, before I start on why I got up, say that I would stress, as other hon. members have, that our economic and social success has been based on economic and political stability, and I believe it does behove all of us to do everything we can to maintain that stability and do nothing to undermine it, because people may not realise that confidence is a very delicate plant, very delicate indeed, and it is very easy to say and do things that can undermine that confidence, particularly the confidence of people to whom the hon. member for Middle referred, those outside this Island in charge of international businesses who may not fully understand what we are about and can have their confidence shaken very easily.

The reason I got up to speak was the point made by the hon. member for Onchan, Mr Cannell. I am glad that he will support the Chief Minister's amendment. However, I fear he is mistaken and may mislead other hon. members in thinking there is little difference between the amendment of the hon. Chief Minister and the hon. member for Garff. Frankly, they are as different as chalk and cheese. I have checked with the hon. Secretary the motion as it would be amended by the hon. member for Garff and it reads as follows: 'That, in anticipation of the

United Kingdom joining the European monetary union and the European Union moving further towards a federal structure with tax harmonisation becoming an integral union financial policy, the Isle of Man Government be requested to evaluate plans for the independence of the Isle of Man within the Commonwealth.' I am told by the hon. Secretary that is the wording.

The Secretary: It is 'options' rather than 'plans'.

Mr Gilbey: 'options for the independence. . . within the Commonwealth.' Now, this, Mr Speaker, is wrong in two respects. First of all, it sets out what the problem is in the view of the mover of the amendment but it only mentions one of the possible threats, which is tax harmonisation becoming an integral part of union financial policy. There are other threats (**A Member:** Hear, hear.) which are equally if not far more serious: there is the threat of the G7 regarding tax mitigation throughout the world; there is the threat of the OECD to so-called tax havens and unfavourable tax practices; there are other things that the EU is doing regarding tax; there are the views of the Inland Revenue in the adjacent isles. (**Mr Brown:** Hear, hear.) All these things form a package of possible threats. Now, none of these threats have developed yet. I hope a lot of them will not, and if they do I am sure that we shall find answers to them, but to think there is just one threat regarding monetary union and integration of tax harmonisation in the EU is totally mistaken.

The next thing - it goes on as if there was only one answer, the answer being to evaluate plans for the independence of the Isle of Man within the Commonwealth.

Mr Cannell: Options.

Mr Gilbey: Well, can we get it clear, Mr Speaker, what the actual amendment is?

The Speaker: It is 'Isle of Man Government be requested to evaluate options for the independence.'

Mr Gilbey: Yes, options for the independence, only options for one thing, the independence. There are many other possible ways of dealing with these threats, (**Mr Brown:** Hear, hear.) preventing them or frustrating them should they arise. To suggest that independence is the only one to be considered is totally ridiculous and, if I might say, absurd and would be totally wrong, because it sets us down one track looking at one possible answer rather than evaluating all the answers.

Now, if we then move to the amendment by the hon. Chief Minister, this says: 'The Council of Ministers to report no later than the 22nd June 1999 sitting on. . . developments within the European Union and other international bodies which have potential economic implications' for the Isle of Man. Therefore it covers all the possible threats, all those that I have mentioned, - G7, OECD, EU, Inland Revenue, any others that might then appear on the horizon. It says we should look at them all and, what is more, it does not tie us down to any particular responses to them. It says 'the Council of Ministers' responses to those developments' and therefore we would expect the widest possible response.

Therefore, I do hope that I have shown there an absolutely fundamental and, I believe, quite vital difference between these two amendments and I do hope that hon. members, in the interests of the Island, will support the wide-ranging one which covers all the possible problems and deals with all the possible solutions to them.

Mr Cannell: Mr Speaker, would you mind if I raise a small point of order?

The Speaker: You have already spoken, sir.

Mr Cannell: I would just like to have clarification on something, if I may, please? The amendment which comes in the name of the Chief Minister says 'For the words after "That". . . ' and I just wonder if you consider that an amendment which only ties the mover to one word of a motion is actually fully in order because -

The Speaker: Yes, it is perfectly in order. Can I invite the Chief Minister to reply to his amendment?

Members: Hear, hear.

Mr Gelling: Yes, Mr Speaker, thank you very much indeed and it has been interesting to hear the contributions made by members, but I think it has, during the debate, illustrated the very point that we are making about the timing and about the information available to members. Now, basically there has been criticism of words and speeches and what has been said, but I actually have written to all members and stated quite clearly the impressions of what happened at the Home Office, so members have that also in writing. Basically, I do not want to cover everything. I will not delay the debate for the simple reason that I do not think we are going to get any further forward today with the debate and without any doubt whatsoever, as raised by the hon. member for Ramsey, I have got telephone messages up in my office from all over the world awaiting the outcome of the independence debate today. They are thinking they are going to have a decision today as to whether the Isle of Man is going independent. That is the perceived message or the notion that has gone out there and this is what is dangerous. We are not trying to say that members should not debate this; we want members to debate it, but we want them to debate it after we have researched and found all these issues that we feel should be responded to. Give the members a response to it. Let us have our seminar. Let us come back then, as it says here, by 22nd June with a full report to members so they are very, very well aware of what the issues really are. Again, picking up on the point of Mr Gilbey, there are some issues that are a long long way down the road and there are other issues, very important issues, that we should be addressing now. That is where we should be concentrating our efforts - on the big issues which are issues at this time.

So I would hope that members would support the amendment that I have put to it. It is an amendment that I hope is helpful to members, that they will be able to debate these issues but debate them when they have all the relevant information or possibly all that we can supply to hon. members so that they can have an informed debate. So I would ask hon. members to support the amendment to allow that to happen.

The Speaker: I call upon the hon. member for Garff.

Mr Rodan: Thank you, Mr Speaker. Like the Chief Minister, I agree this has been an important debate, it has been an intelligent debate but it is not *the* debate; it is not the last word on the subject and as far as I am concerned it is not *the* debate on independence. We are not ready for such a debate, as I said in my speech. We have not got the facts as politicians and nor are the public, who will inform our decisions, yet in full possession of the facts, which is why we need to evaluate the options for this question of independence, which is what my amendment has sought to do.

Now, I do thank Mrs Cannell, the hon. member for Douglas East, for seconding this amendment and offering a choice to the House on how it wishes to respond to the debate. I do think, however we vote, it is important that we have this choice. The hon. member for Onchan, Mr Cannell, similarly recognised the need for this choice and he reminded the House about the necessity for evaluating options.

Now, like the Chief Minister's amendment, mine does have the effect of carrying forward the necessary evaluation of the international scenario which, as the hon. member for Glenfaba, Mr Gilbey, quite rightly points out, is critical in this debate in response to the fluid situation, the changing economic and political circumstances that the hon. member for Ayre, Mr Quine, correctly referred to, the fact that there is movement all around us, all around the Isle of Man at the moment which makes this sort of evaluation and debate critical.

Now, I was very interested - the hon. member for Middle, Mr North, and the hon. member for Rushen, Sir Miles Walker, both said - it is no secret, of course, but they both did say - that they wished to see the Isle of Man advance or achieve independence. Now, the difference, of course, between us, I suspect, on this is not one of the objective but the pace at which it is achieved, and we have heard the well-worn statement, 'evolution not revolution'. I do not believe what is being proposed is revolution, but what is being said is that it depends whether you continue to believe that a leisurely pace of evaluating remains in the Island's best interest. The need to examine this issue more urgently than we have been used to arises because of circumstances beyond our control. European monetary and economic integration is becoming a reality. We are naive if we do not see that this is what is driving change, not just here but all around us.

The hon. member for Rushen, Sir Miles, and other members said that the timing is wrong for this debate.

Mr Cannan: It is always wrong.

Mr Rodan: Well, the timing will never be right, and the timing is wrong, it is suggested, because of the uncertainty that is being created in the business sector and around the world, but I suggest that the greater uncertainty arises not from having a debate on the issue of constitutional change or independence in response to the changing circumstances of Europe; the greater uncertainty arises from recognition by business and those outside of the European situation, and the fact that the carefully constructed business environment which has been created in the Isle of Man, as has been said, over the last 12 years to attract business. It is the uncertainty about what if that changes for the worse. What if the status quo and the favourable climate that we have created cannot be maintained? This is where the uncertainty arises, not from talking about it. Change for the worse - I do not know, I hope not but it might do, and this is where the uncertainty arises, from circumstances beyond our control. Therefore, I have to say to the Chief Minister that expressing these concerns is not fantasy, it is not toying with ill-conceived solutions, it is not Euro-phobic scare-mongering, I think were the expressions used. I do not believe that at all.

As long ago as April 1989 the Delors Report on Economic and Monetary Union set as an objective progressive realisation of economic and monetary union in Europe. Paragraph 33 clearly stated that decision-making authority in the economic field would have to be transferred

from national to community level. Now, that is what is going on now (*Interjections*) and that is what the UK is having to face up to, a great painful debate to itself and amongst its people.

I do agree that the debate has to be conducted in a responsible way so as not to arouse false fears and uncertainties, but I have to say that those who think about it recognise the way the world and the European situation are changing. With economic and political integration, to which the UK will eventually have to decide whether it signs up to wholesale or not or be at least overridden on key issues if the present veto is lost, all I am saying is that it may then be difficult for the United Kingdom to continue to protect the Isle of Man's interests even if it maintained the will to do so. Now, no-one as yet has the answers to all the questions that have arisen: whether the euro is appropriate; whether the Manx pound allied to the US dollar is appropriate; our continued ability to trade within Europe through protocol 3. That is why we need informed public debate and a careful evaluation of the options in discussing the independence option, and it is because the independence option, I believe, is so central to that debate - and Mrs Cannell, the hon. member for Douglas East said so; she said, I think, it would enable a more determined view to be made if independence was central to the situation, and it may well be as a result of the evaluation it ceases to be a realistic option, but I do not believe we can continue the leisurely pace we have been used to.

To pretend simply that the problem will go away if we do nothing and trust the status quo to protect us from adverse European Union influence would be irresponsible, I believe, and I would urge the House to give consideration to the amendment standing in my name and I so move.

The Speaker: I call upon the hon. member for Michael to reply.

Mr Cannan: Mr Speaker, thank you very much indeed. I have no regrets or hesitations that I put this motion on the agenda. It is an issue that is and was being talked about for weeks and weeks long before I put the motion down. It was being talked about - the European bandwagon, that is - in responsible quarters. Even the Chief Minister said before this motion went down 'Autonomy has now reached its limits; the next step must be consideration of independence.' But it was never my intention that this debate should be about independence; it was my intention that the debate should be about the European bandwagon that is moving on inexorably forward. These are issues that are happening out there in the real world. Now, either we can sit tight and do nothing and hope for the best, or we can take all the steps necessary, whether we are evaluating options or making contingency plans, but we must at all costs preserve our economic success, and I have said that consistently and at all times since I laid this motion down.

That is the whole core of the Island and I said it at the beginning of this resolution - the protection of our jurisdiction and our legislative ability. Without that we are nothing if we do not have our own independent jurisdiction and our own independent legislature.

Now, some say this is not the time to discuss it. When is the time? If it was raised in a month's time, two months' time, if certain other decisions came out of Europe, would that be the right time? We are told we can only debate it when we have a briefing paper from government. Are we so unintelligent ourselves that we cannot read and learn other opinions, accept other opinions? Of course we can. We do not have to be guided by the official line. Surely there is democracy to make our own decisions and thoughts known.

What I am glad about, having put this motion down, is the Chief Minister's amendment. It means that we will debate the European issues and how they will affect the Isle of Man again on 22nd June. I doubt, without this original motion today, we would have been invited to debate them in June. As I say, this motion is about protecting our economic success.

Now, I have no problem with supporting both the amendments and I will support both of the amendments. One is stronger than the other. One is looking to evaluate what the options are for independence, and so many senior members have spoken about independence coming at some time. I agree with it coming at some time. My motion did not ask for independence at any time; it just said make contingency plans in the event that certain actions in Europe made it impossible for the Island to continue with its independence. That was all if you read it carefully, and I invite members to read it carefully. This is no doomsday scenario, and I regret the Chief Minister used that word. 'Contingency' means taking sensible precautions. Most of us, and I hope all of us, take sensible precautions in the event of our house burning down. That contingency plan is insurance. This motion was talking about contingency plans in the event of very serious things happening, an insurance policy. 'Scaremongering' and other words the Chief Minister used. It is not scaremongering. Why should so many senior figures in the finance sector during the Christmas period in debates on Manx Radio discuss at length, long before this motion was down, the options of the problems facing the Isle of Man and the European Union? They were evaluating in debate those options and all the problems that could happen.

I understand that the European Union is moving towards majority voting. It is said that they could not organise a unified VAT system, yet in just under three years they have a unified monetary system in which, throughout Europe and in the Republic of Ireland, it will all be the same currency. At the present time they are able to have a unified interest rate system: 3 per cent at the present time throughout Europe and across the sea in the Republic of Ireland - interesting, very interesting.

The Treasury minister says that it all raises uncertainty. I believe the uncertainty is there while the matter is being discussed, and it needs to be discussed in a public forum as we have today. External relations debates are good. It makes us concentrate on what we are, where we are going and how we are going to survive.

There were some extraordinary statements made. The hon. member for Peel, Mrs Hannan, said she wanted independence from a feudal set-up. I did not know we had a feudal set-up here in the Isle of Man, but I learn something every day! She wanted to be 'a citizen of my own country'. Well, I thought we were all proud to be Manx and to be born here in the Isle of Man and therefore we had citizenship by birth. Again, I come back to what other members said. We must protect our economic success.

Now, Sir Miles Walker raised the point about our being a small island and 'could we survive?' and so on. I have to tell him there are many other smaller islands with smaller populations than ourselves and they appear to be economically successful. Liechtenstein, which was quoted widely, can negotiate. Well, of course I expect the Isle of Man to negotiate the best terms for itself all the time, and what this resolution was about was that if we cannot get good terms from Europe then we will have to negotiate other terms.

There are so many issues to be discussed and debated. Sir Miles talked about citizenship, but again that is negotiable. The people of the Republic of Ireland have rights to work and to vote within the United Kingdom - negotiated rights. If Irish citizens live in England for a period, the same as they live here, they have the right to vote and they have the right to work and live without having to go through immigration control. There is the international law of recognition, and people can be recognised and be independent, but this, I say again and again, this was not a debate about independence; this was a debate about taking contingency plans in the face of certain actions by the European Parliament: the European monetary union and integration. That is what it is about: the effects it would have on the Isle of Man.

I believe this debate has served its purpose. I will support both amendments because both have merit. One will obviously succeed and the other will not, but I wish to indicate to the movers of those amendments that I will support them and I will be pleased, because I think the Chief Minister's amendment will win, that we are going to come back here on 22nd June and revisit what is going on in the European Union and how it is affecting the Isle of Man. Thank you, Mr Speaker.

Mr Cannell: What happened to the dollar?

The Speaker: Now, hon. members, the motion is that printed at item 17 on your order paper. To that we have the two amendments: the amendment in the name of Mr Rodan and the amendment in the name of the Chief Minister, Mr Gelling. I propose to put the amendment in the name of the hon. member for Garff, Mr Rodan, first. Will those in favour please say aye; against, no. The noes have it.

A division was called for and voting resulted as follows:

For: Messrs Cannan, Rodan, Houghton, Henderson, Duggan, Mrs Cannell and Mr Cannell - 7

Against: Messrs Gilbey, Quine, North, Sir Miles Walker, Mrs Crowe, Messrs Brown, Cretney, Braidwood, Shimmin, Downie, Mrs Hannan, Messrs Singer, Bell, Karran, Corkill, Gelling and the Speaker - 17

The Speaker: Hon. members, the amendment in the name of Mr Rodan fails to carry, 7 votes being cast for, 17 votes cast against.

I will therefore put the second amendment, moved by the Chief Minister. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Therefore, hon. members, I will put the motion as amended. 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 Gilbey, Cannan, Quine, Rodan, North, Sir Miles Walker, Mrs Crowe, Messrs Brown, Houghton, Henderson, Cretney, Duggan, Braidwood, Mrs Cannell, Messrs Shimmin, Downie, Mrs Hannan, Messrs Singer, Bell, Karran, Corkill, Cannell, Gelling and the Speaker - 24

Against: None

The Speaker: And again, hon. members, we have a full House, 24 votes being cast for the motion.

Hon. members, having concluded our order paper, that draws to a conclusion our business for today. The House will now adjourn and we will sit again on Tuesday next, 9th February, at 10.00 a.m. Thank you, hon. members.

The House adjourned at 4.07 p.m.