

**REPORT OF PROCEEDINGS OF
TYNWALD COURT**

**Douglas, Tuesday, 23rd February 1999
at 2.30 p.m.**

Present:

The President of Tynwald (the Hon Sir Charles Kerruish OBE LLD (hc) CP). In the Council: The Lord Bishop (the Rt Rev Noël Debroy Jones), the Attorney-General (Mr W J H Corlett), Messrs E A Crowe, D F K Delaney, J R Kniveton, E G Lowey, Hon E J Mann, Messrs J N Radcliffe and G H Waft, with Mrs M Cullen, Acting Clerk of the Council.

In the Keys: The Speaker (the Hon N Q Cringle) (Rushen); Mr L I Singer and Hon A R Bell (Ramsey); Hon R E Quine OBE (Ayre); Mr J D Q Cannan (Michael); Hon H Hannan (Peel); Mr W A Gilbey (Glenfaba); Mr S C Rodan (Garff); Hon D North (Middle); Mr P Karran, Hon R K Corkill and Mr G T Cannell (Onchan); Mr 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 Mr T A Bawden, Acting Clerk of Tynwald.

Procedural

The President: Hon. members, prayers having been taken in both branches this morning, we will follow our usual practice and go straight on to the order paper.

Apologies for Absence

The President: Hon. members, before turning to the order paper I have to convey apologies for absence from the hon. member of the Council, Mrs Christian, who is indisposed.

Minimum Wage – Final Report of the Select Committee – Amended Motion Carried

The President: Turning now to item 23 on the order paper, I call upon the hon. member for Rushen, Mrs Crowe.

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

That the Final Report of the Select Committee on a Minimum Wage be received and its recommendations adopted.

Firstly I would like to thank all members of the select committee: the hon. Members of the Legislative Council, Mr Lowey and Mr Waft; and the hon. members of the Keys, Mr Corkill and Sir Miles Walker.

We have had numerous meetings, lengthy discussions and enormous amounts of documentation to wade through and the final report that you have before you today is a masterpiece of précis by the Clerk Assistant of Tynwald, Mr Arthur Bawden, whose valuable assistance was appreciated by us all. The final report is so concise it minimises the amount of time and effort all members of this committee spent on deliberating the evidence for and against the introduction of a statutory minimum wage.

One week expert economists were all in favour of a minimum wage and the next week we had similarly qualified experts who held entirely the opposite view. What we did not have was clear statistical evidence regarding the Isle of Man. We had to rely on economists and the many contributors who gave us oral or written evidence. The committee expresses its gratitude to all contributors and the government officers who came to the committee to elucidate more fully on the papers that they had submitted.

Hon. members will find the report in three sections: the points made in favour of a statutory minimum wage are on pages 8 to 10; the points made against an imposed minimum wage are listed on pages 11 to 15; and the problem of low pay is addressed from pages 15 to 24, and it was this area that caused us most difficulty. We were looking for clear statistical evidence that the imposition of a statutory minimum wage set at a reasonable level would help low-paid workers and not endanger their jobs. We had no evidence of low pay, or I should say we had no evidence that there was a problem in the Isle of Man.

We know that the national minimum wage in the UK has been set at a level suggested by the Low Pay Commission at £3.20 to £3.60 an hour. The rate determined by the Low Pay Commission is the rate at which there will be least damage by way of unemployment.

We recognise the danger that the imposition of a minimum wage could result in the closure of some small businesses, and our concerns are increased by the fact that 70 per cent of businesses on the Isle of Man employ five people or less. In fact in a paper to Treasury from our own economists they state - this is in appendix 3(a) regarding a minimum wage - 'Certainly to generalise findings from elsewhere would be dangerous. Intuitively it could be suggested that the Isle of Man, with its preponderance of small firms, could be more affected than most by the imposition of a minimum wage.'

Every member of the committee - and I mean every member of the committee - wished to help the low-paid in our society. The majority of the committee concluded that Tynwald must be completely satisfied that low-paid workers would benefit and that employment opportunities would not be reduced by the imposition of a statutory minimum wage.

We looked to the cost of introducing a minimum wage. We are told that in Jersey it is going to be £400,000 per annum to administer and enforce the minimum wage even though it would seem very few, if any, people will be affected by the rate that they have set, which is £3.70 an hour, and at the moment there are plans afoot to defer the introduction of the minimum wage in Jersey.

We know that in Britain it is going to cost £2 billion and with the records to be kept by employers for each employee I am not surprised that we have had an announcement from the new Minister for Trade and Industry, Mr Stephen Byers, this week to say that the regulations will not now be enforced in the UK. There will be no requirement to state the national minimum wage on payslips. There will be no obligation for employers to keep detailed records specifically for a minimum wage et cetera et cetera.

But it was an area that we looked closely at because we recognised that it would cost us a great deal of money, and the majority of the committee felt that those resources could be better targeted by perhaps taxation or social benefit.

We recognised that the major beneficiary of the introduction of a minimum wage would be government, as it increased the wages of workers above the earnings benefit level. There have been identified in the UK 2 million workers who earn less than £3.20 an hour. No such evidence was forthcoming to the committee regarding the Isle of Man. During the whole time that the committee was established, despite advertisements and despite our interim report, no evidence was forthcoming that there was a problem of low pay on the Island.

We are told that the second major beneficiary of the introduction of the minimum wage would be the second earner of the family, a female part-time worker, but we had evidence that suggested that the people we wish to target most by the introduction of a minimum wage, the low-paid, would not benefit.

The committee has considered all options, from a full system of a properly enforced statutory minimum wage at a reasonable level to the status quo, to address a problem that may exist, unquantifiable though its size might be. As I said before, we know there are in excess of 2 million people in the UK earning less than the £3.20-£3.60 minimum wage that was set by the Low Pay Commission, although once again, this week that has been altered and now for anyone under the age of 22 the minimum wage will be £3 an hour. As I say, we know there are 2 million who would benefit in the UK, but we also know that there are 1,300,000 unemployed in the UK.

Now, we have nil unemployment in the Island and we do not know how many, if any, workers are earning below the £3.20 minimum wage rate that we were looking at at the time. We have hundreds of job opportunities on the Island and we feel that in the Isle of Man market forces are dictating the wage rates to the advantage of the employee.

We noted that the Isle of Man Trades Council said that they would not support the initiative for a minimum wage if it were fixed at subsistence level, as this would become the norm for many workers, but we do not have accurate statistics of what that level may be. Are we to suggest that the UK rate at £3 is above subsistence level?

The policy of successive governments, supported by Tynwald, has been to improve the standard of living by encouraging healthy economic activity and a vibrant business sector. The committee supports the improvement of wages by negotiation, a system which has led to the present satisfactory trend of increasing incomes on the Island.

It is a role of government to assist in the redistribution of income through tax, social security benefits and the provision of services. These strategies have been based on a policy of non-interference in the operation of market forces. The majority of the committee feel that this obviously successful strategy should continue.

We concluded that we do not yet have any statistical evidence to show any patterns of emerging wage inequality on the Isle of Man that would warrant the bureaucratic enforcement of a statutory minimum wage. However, we are recommending that a provision be incorporated into the benefits structure to assist those seeking employment and that is to the effect that in the jobseeker's allowance there should be a rate set that should not be below the UK minimum threshold at which there should be good cause for them to refuse an offer of employment or for an individual to have voluntarily relinquished employment. This provision will protect the jobseeker from having to accept low-paid employment.

We further recommend that the Council of Ministers reconsider this position in not more than two years' time when we feel that statistical evidence should be available.

Mr President, members of Tynwald, the easy option for this committee would have been to recommend the introduction of a statutory minimum wage at what could have been a meaningless level, at great cost to the taxpayer for enforcement, but we have all diligently considered all the evidence presented, and the majority of the committee formed our conclusions and recommendations having due regard to the unique circumstances of the Isle of Man and we believe that these conclusions are in the national interest.

I would, just as I close, like to draw your attention to Commissioner Flynn's report this week at the European Commission: 'Minimum wage schemes work best when they actively support the recipient to engage with the labour market.' Commissioner Flynn was reporting on the national minimum wage schemes in 13 member states, and his conclusion was that the two major factors which appear to explain the rise in the number of people receiving a minimum wage was, number 1, the increasing and persistent unemployment.

I beg leave to recommend that Tynwald accept the report and the conclusions of the select committee and implement its recommendations. Thank you, Mr President.

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

Mr Gelling: Mr President, I think we should congratulate the select committee - and when I say congratulate the select committee I mean all of the members, whether they signed the main report or the minority report - on a very thorough piece of research. There is without doubt a wealth of information and opinion in the report which has been placed before us and it is plain that the balance of argument as to whether or not there should be a statutory minimum wage is a fine one.

Now, when the Council of Ministers came to consider the report I think it would be fair to say that we felt that we could not fully agree as a Council with either the main report or the minority report. As regards the principle of establishing a statutory minimum wage, it was certainly the majority view of the Council that general opinion had moved on and that the time was now perhaps right for us to look seriously at this principle. However, we were not prepared to accept that £4.50 per hour would be the right figure. Certainly the United Kingdom and Jersey, both of whom have higher national incomes per head and higher average earnings than we have, have gone for lower figures and we will have to have regard to our market circumstances in fixing any figure that would be appropriate for our Island.

I would suggest that a national statutory minimum wage appears increasingly to be accepted as one of the normal requirements of a modern state, a means of guaranteeing that those in employment are not forced into accepting wages below acceptable levels. Now, at a time when we must be increasingly concerned with how we are viewed externally and with our international reputation we cannot afford to be seen as being out of step, I would suggest, with international norms in this particular area.

There are of course many problems with establishing a statutory minimum wage. It has already been suggested, are there exceptions? Do we need to build in special arrangements for young people, students, apprentices? At what level should the wage be set? A very careful

balance needs to be achieved. If we were to set the figure too low it will achieve absolutely nothing. If we set it too high it will create unemployment and destroy marginal businesses.

A statutory minimum wage is not a means of raising wage rates generally on our Island. That is not its purpose. I would suggest that its purpose is to focus on the very bottom of the job market and ensure that those at the bottom are not exploited, that there is a floor below which no-one falls.

Now, we took note of 7.8(b) which is the recommendation that the Council of Ministers should consider or reconsider the minimum wage position in not more than two years' time, and I appreciate that there will be a time when our statistics hopefully will be available to show us what the real situation is, as has been explained by the mover of the report. It was difficult and I know myself, having chaired a similar committee about five years ago, we had the same problem.

But taking that 7.8(b), I have had an amendment to the motion circulated. Now, the purpose of the amendment is to have the issue referred to the Council of Ministers on the basis that Tynwald accepts that there is in principle a case for establishing a statutory minimum wage on the Island. Council will then go into the matter in detail and address the difficulties and the complexities involved and produce proposals for Tynwald's further consideration. Now, this seems to the Council of Ministers to be the best way forward and accordingly I move the amendment standing in my name:

For the words after 'received' substitute:

'and be referred to the Council of Ministers with a view to proposals being brought forward in relation to a statutory minimum wage.'

Mr North: I beg to second, Mr President, and just to say a few words on this particular subject, on this report and, as I previously said when this select committee was appointed, I am not in principle against a minimum wage. I do feel, however, very strongly that when we are looking at the minimum wage there is one particular aspect that we need to consider as well as that and that is the matter of the national insurance contribution because I think it is abused, in my opinion, by part-time workers, and there are certain employers who employ, say, two or three people to cover for daily employment and pay I do not know what the figure is at the moment. I think it is £50. For anything below that they do not pay any national insurance. I am not suggesting for a moment that the employees should pay, but I believe that the employers should pay and I think that that is part of this particular equation that should be taken into account because the large employers that employ mostly part-time people, as opposed to the smaller businesses who employ full-time people, the larger employers are getting a distinct advantage on national insurance, and I believe that that really negates a lot of the level playing-field that should exist as far as a minimum wage is concerned.

So I would like to think that the Council of Ministers, using this amendment, would actually not only just look at the way forward for a statutory minimum wage but could look at the broader picture and the unfair advantage that is gained by certainly large retail employers over smaller ones and give them a very big advantage in terms of profitability. Thank you, Mr President.

Mr Delaney: I will be very short on this one because it is so obvious to some of us anyhow that if we cannot get into a minimum wage here in the Isle of Man with 1 per cent unemployed, which is accepted as nil unemployment, when the heck can we get into such a situation? It is only the principle, whether you believe in the right price for a right hour's work or a week's work, or not. That is what it comes down to. Whether it will do damage to the Isle of Man or not is another consideration, but what I cannot accept is do nothing until something else turns up.

I accept the Chief Minister's amendment as a logical step to bring it in, as he said. He will not be able to speak again, as I understand it, because he moved an amendment and has already spoken, but there is one question I would like to ask him, and I think every working person in the Isle of Man and certainly those on low pay - and they are there - would like to ask him, which is when do we expect this recommendation to come before us? Does some other hon. member wish to put a date down? I will be happy if I get a commitment from somebody speaking from the Council of Ministers on a time when this will happen. Not if, not how much - we will argue about that when it happens - but when it is going to happen. I think for the benefit of members we need to know that because as it is laid down now this could go on for the same two years that has been asked for in the report. I want to see earlier action.

Mr Henderson: Mr President, I rise in support of the Chief Minister's amendment and I think it is an excellent amendment and an excellent way forward. It shows a balance in the debate or a balance in instituting any form of minimum wage.

Now, in rising to say a few words on this debate this afternoon I am sure most members here will know my views on the minimum wage and putting in place the minimum wage, and, yes, I am going to stand up and support that we should have some sort of standard in place, but I am not here to criticise the hard work that the committee has put in because I have gone through the report and it is very obvious a lot of hard work has gone in and certainly the learned Clerk's wordsmith skills, as some people call them, have gone into it. Now, it is not a criticism of that or the time and effort in producing it, but nonetheless certain items and impressions and viewpoints that have come out as a result have to be commented on and it is those that I wish to address, the principles and the systems that have produced the report to come to the conclusions that it has, rather than the actual individuals and the hard work they have put in.

But notwithstanding that, I am a bit worried about statements made that there is no evidence of low pay in the Isle of Man and there is no evidence forthcoming to the committee. I accept that the committee has advertised in the papers and gone through due process et cetera et cetera, but I think under some circumstances we need perhaps to change procedures - I do not know - push the boat out a little further in our evidence-gathering, because I certainly have no knowledge where the staff sides in all this, the unions, were actually canvassed to bring a sample of their membership, or their low-paid membership, to come before the committee and give them their views, or for the secretaries of the staff sides to produce a report after canvassing their membership at branch meetings and give some sort of indication of the low paid which I know the branches have a large membership of and certainly in one particularly large staff side, which I will not mention, I do know there are low-paid within the membership, and it would have been nice to have seen some sort of approach

to invite a committee or membership or a report produced to come back and also use that as a piece of evidence.

I am also worried about one angle where we should not introduce a minimum wage because there will be enforcement problems. For every piece of legislation we approve, or anything else, whether it be here or downstairs in the Keys, there is going to be this problem. It goes hand in glove with putting legislation in place, putting orders in place and so on. There are always going to be enforcement issues whatever we do. It is an accepted part of the process and it is something, I suggest, that we have to live with. What we are doing is setting a standard. We are trying our best with the resources we have got.

Now, having said that, I did have a few words prepared, and I am playing devil's advocate now because obviously the Chief Minister has moved his amendment, which I support, but if we take it on the back foot from coming from the premise that we are going to actually support no minimum wage being brought in, then I am astonished that we are having this sort of a debate and really being asked to accept the main recommendation of the committee. There is no other way really to explain what the report recommends than as a form of tunnel vision in some ways, and one member alone on this committee, Mr Lowey, had the courage of his convictions and stood up for the low-paid workers of this Island, the disadvantaged and the folk who are obliged to accept poor remuneration packages because of their circumstances or inability to speak up for themselves. Mr Lowey has highlighted a serious flaw in our system and style of government, an attitude that can marginalise the poor and assist the haves to get even more.

Every time a page is turned in the press we are assailed with the famous comments, 'A caring, sharing Island, a caring, sharing society. We are in the boom times.' The budget report by the hon. Treasury minister confirms this 10 times over. We should be ashamed of ourselves in my opinion for even allowing this document to get to this stage. It should have been returned at an interim stage and a new remit and criteria set and agreed upon. It has been highlighted now and if anything ever sent out a clear signal to the people of the Isle of Man and further afield, this is it. In our best economic climate, when we should be looking to meet the needs of the community and raising standards, when we are proposing to put away £25 million over the next financial year and so on to our reserve funds, what are we doing? We are saying to the low-paid members of our community, 'Tough.' That cannot be right. We just cannot do that in this day and age, especially in the light of the budget report. We are buoyant and strong enough to be setting quality standards, and the minimum wage should be one of these standards, a base-line that no one should go under, as we have now heard suggested. This should be an ongoing process of improvement. We are in a strong position to be aiming at improving people's quality of life and living standards. After all, Mr President, hon. members, we are talking about the new millennium, the year 2000, not 1900.

As far as I can see, this report goes out of its way to prove that there is no need for a minimum wage to be set and it is full of evidence, both anecdotal and technical, large sections from the economic affairs division and the Treasury, full of Lorenz curves, standard competitive labour models. At the end of the day what is the use in those kinds of technical instruments? All we need to do and we should be doing is setting a simple social standard, something to be proud of, not running away from crying the old chestnut, 'All the small

businesses are going to go broke', because I think if we do it carefully and sensitively, that will not happen.

We should be taking very careful consideration of other things too, such as the Council of Europe's dependency threshold and the figure determined by the UK Low Pay Unit.

What also should be taken into consideration is that while setting a figure for a minimum wage, and as we have heard the hon. Chief Minister state too, we are not setting something that is so low that it would be causing a legislative poverty level, a subsistence watershed. We must be making any decision on a realistic setting. It must reflect deductions from pay also and allow an individual an acceptable standard of living.

Mr President, hon. members, we must be realistic with this debate. This is, as we are often told, the real world. Some parts of our community are having a hard time out there. If we can help, we have a moral duty to do so. We should have the courage to grasp the nettle. Other more painful plants are ready to emerge in the shape of sexual discrimination, age discrimination, working hours directives and others. We are going to have to tackle them as well, so we might as well get started now. We are ideally placed to produce a slab of social reform that will benefit the Island. Full employment is causing major problems. We must remain competitive but also attractive, with a social decency factor, encouraging employment and employees to stay, improving the quality of life.

Receiving this report is only a tiny part of the developing scene. We really do need to consider setting out our stall to the best advantage of the community and Island. Setting standards is the way forward. It sends out a clear message, one of quality and the government does care about employees' rights.

I am happy to support the amendment and I am happy to note that the Chief Minister is also talking about national standards and guarantees and employees not being faced with having to make the decision of accepting poor wages, and I am also very pleased to note Mr North's contribution, with checks and balances in special relation to the national insurance contributions to balances between the large companies and the smaller firms. Thank you, Mr President.

Mr Waft: Mr President, I have had the dubious privilege of trying to make sense of the wealth of views and opinions of a variety of individuals and groups who, for their own reasons, have made cases both for and against the implementation of a minimum wage. In fact towards the end of all the meetings we had I actually made another memorandum of dissent which was nearly produced, but nevertheless I went along with the main body of the report.

There was to me a sense, of the people who were represented, of, as the lady once said, 'Well, they would say that, wouldn't they?' Because of their background and self-interest I could in most instances predict what their reaction to a minimum wage would be and it came as no surprise when the Chamber of Commerce were inferring that they would not be in favour and the Trades Council were saying, yes, they would be in favour and mooted a £6.30 rate.

I personally was always trying to look beyond what was being presented as a view made purely on self-preservation of the status quo for its own sake and that of a reasoned argument based on facts. Objective facts, honest statistical evidence, were in short supply. Having said that, there were people who were willing to give the principle of a legally enforced minimum

wage a chance to see if it really did improve the financial situation of the low paid. This view, I might add, did not always come from quarters you would expect.

Britain, despite all the recent hype about a minimum wage, has had a system of legally enforced minimum rates of pay for most of the century. Trade boards were set up by Sir Winston Churchill in 1909 who said, 'It is a serious national evil that any class of His Majesty's subjects should receive less than a living wage in return for their utmost exertions.' That was on 28th April 1909.

Of course these trade boards were replaced by wage councils and by 1983 these laid down minimum rates were about an eighth of the workforce. Those covered by the wage councils were mainly employed in the catering, clothing and retail sectors where there were very high concentrations of low-paid workers. That should have been fine, except for the fact they were not paid correctly and each year about one third of the firms inspected were found to be illegally paying below the minimum wage. This subsequently led to their abolition and the Labour Party introducing their own minimum wage.

The United Kingdom Low Pay Unit stated in 1983, 'The Trade unions are now much stronger than when the trade boards were first established and there should be no need for legal protection against exploitation.' Yet the spread of union membership has been much less dramatic than is often assumed and trade unions have found it particularly difficult to penetrate the wage council industries. In the miscellaneous services covering hotels and catering, laundries and hairdressing only 7.3 per cent of workers were members of a trade union; in the distributive trades only 14.9 per cent. 'Exploitation' is a very emotive word and in a capitalist economy some would imply that all wage-earners are exploited; others would confine it to a few.

Can I just mention for a moment the dangers of generalising the situation of a minimum wage. A critical wage level above which unemployment will occur will be different for different firms. Consequently any particular minimum wage could reduce employment in some firms even if it increased or did not change it in others. The simple fact is the committee does not have the figures to determine what rate of minimum wage will have what rate of impact on the unemployment figures, if any. For instance, if the committee set any rate whatsoever the overall effect would be indeterminate and to recommend that situation on a population with virtually no unemployment at the present time without all the figures as to the consequences of such action would be highly questionable.

The 1 per cent unemployment at the moment can be seen as frictional unemployment where demand for staff is exceeding supply and some people are between jobs and are seeking better employment prospects. However, the United Kingdom also had in the 1950s when they were also down to just over 1 per cent. They now have an unemployment rate of between 6.2 per cent according to the International Labour Office quarterly average, September to November, 1998. This of course varies throughout the country and some counties are as high as 17.6 per cent. I mention this to emphasise the fact that nothing lasts for ever and we should be aware that these are very serious areas within which to make pronouncements over wage levels without sufficient research which will stand up to scrutiny.

I should say at this stage I have no problem whatsoever with the implementation of a minimum wage being introduced provided that we know exactly how many firms and

individuals would be affected by that action and what would be a worst case scenario. This was one of the stumbling blocks, the added bureaucracy being imposed on the small firms and shopkeepers, who, I might add, feel they have enough to cope with already.

The report explains that 70 per cent of our businesses on the Island employ less than five people. Yet we do not know exactly what proportion of our workforce that represents. So that information has absolutely no worth whatsoever.

What we do know is that we do not yet have a Statistics Bill in place and as a consequence we are relying on earnings surveys which were established in 1988 and are collated on a purely voluntary basis which show no evidence of a pattern emerging which shows rising wage inequality in the Isle of Man.

It has to be said that there is some perception of scepticism because of this voluntary code. In this year's survey 52 per cent of those employers contacted in the private sector bothered to reply and it is acknowledged that the average pay in the private sector is generally less than the public sector, although hours worked are longer. That was according to the Treasury Economic Statement News Release Earnings Survey December 1998. However, for the public sector, which pays a greater average pay to its workforce, returns were virtually complete and it is this evidence that gives rise to the notion that there is no evidence of rising wage inequality in the Isle of Man.

On the contrary, there can be no doubt that there has been a significant increase in wage inequality in the United Kingdom over the past 20 years, mainly due to differing work patterns, different skill requirements, new technologies and the abolition of wage councils. The call for a minimum wage in the United Kingdom has been identified as a result of these findings.

I have been concerned for a number years over the fact that we keep reporting the average wage for the Isle of Man. What can it help a labourer to know how far behind he is from the average wage? If we can take an example of the heights of people and the average wage, the average would be just about 6 feet according to the average wage heights, but if you take that into consideration most of us would be dwarves quite underneath that and if John Paul Getty was to walk past he would be 10 miles high. So you have got to consider what averages are all about and where they are coming from and who is saying it and for what reason.

In 1854 Dickens said, 'Who would comfort a labourer in travelling 12 miles a day to and from his work by telling him that the average distance of one inhabited place to another in the whole of the area of England is not more than four miles?' Yet we still keep churning out these averages every year, even today.

There is always the danger that where enough people are, through their own high incomes, divorced from the experiences of the more poorly paid they may be less likely to focus on redistribution, the parallel drawn with the health services being that those who may have sufficient resources to opt out of parts of the welfare state, their support for those parts of the welfare state is likely to be diminished.

Whilst I appreciate that there is an overwhelming expectation that this committee should be giving their recommendations now, I feel that we should be acting with the fullest knowledge of the consequences of our actions. It is for this reason I would have to

recommend that we wait until the Statistics Bill is in place and has been in place for such a length of time as to show accurate trends of exactly where the problems of low pay are. I am of the opinion that the problems lie within that sector of the workforce for which we have no access to the wage records until the Bill is in place.

I am not convinced with the argument set out in report 6.8 that there may be other small ways for a small number of employers who might be encouraged to remunerate their employees properly. If this was a fact it certainly has not been gone into in any great depth and if it had been possible in the past it probably would have been in place already, and if not, why not?

This possibility is gone into in every budget debate. The poorly paid in our society do not want benefits. They want a living wage for the job they do, the whole point being just what that wage should be. I would recommend, therefore, that a thorough appraisal be undertaken when the figures requested are available and a minimum wage can be applied with knowledge that it has been arrived at as a result of evidence and not subjectivity, however well intended.

However, a word of caution here. Care must be taken that we do not place all our faith and reliance on economic forces and statistical evidence, which can be seen as insensitive and makes no allowance for human generosity and altruism. That will be seen to be so much cant to justify selfishness.

We are told time and time again how well the Island is doing. Let us bring along the poorly paid in our society to benefit along with everyone else, but let the figure be right. At the beginning of the committee's deliberations I made it quite clear that whatever decision we come to we must give great consideration to the fact that we do not take any action which will make the lives of the poorer paid any worse than they are now, and I would put it to you also to give careful consideration to any decision you make here today and to make it for the right reasons. Thank you, Mr President.

Mr Singer: Mr President, after reading this report, which seems to have taken a long time to have come to fruition, I thought that every view that could be expressed was expressed. The conclusions, if that is the correct word to use, do not pull together the threads of the evidence presented. This could be, in my view, because the minimum wage is a practical matter and not theoretical, as is often made out. In many spheres ideas are fine in theory but impossible to work with in practice, and that is what we have with this select committee's deliberations and conclusions.

There is clearly a balance between the rights of the employer and those of the employee, the former to conduct a successful business and ensure the welfare in all aspects of their employees' work, including conditions and wages, and for the employee to produce, as the saying goes, a full day's work for a full day's pay. As I said initially, all fine in theory but not so easy in practice.

There are, without doubt, employers on this Island who pay low wages when they could pay at a higher rate and conversely there are businesses, small and large, which are struggling to remain afloat and if their overheads have to be reduced the first people to suffer would be the employees.

So the arguments attached to the introduction of a minimum wage are, as is shown in the report, many and various both for and against the proposition, and I do believe that, although people may profess to come at this from the left or the right, everyone in fact sees the pitfalls and advantages and it all revolves, I think, on the level at which that minimum wage is set. If the principle of a statutory minimum wage is agreed, yet the level is such that the family unit cannot survive with today's prices of basic needs - food, clothing et cetera - then that is surely unacceptable to society. However, balance this with demands for a minimum wage which outstrips an employer's ability to pay that figure, retain all the employees and make a reasonable profit, then that is also unacceptable.

Many of the arguments placed in this report, both for and against, are too specific and do not encompass an overall view of the situation. I believe that unless we have the courage to set a minimum wage which is fair to all parties - and once again I use the word, a wage that is practical - then we will not advance with this matter much further.

One thing that was a certainty, a bet that you could not lose, was that with the hon. member of the Council, Mr Lowey, on the committee there would be a minority report. I think I would have been disappointed, Mr Lowey, if that had not been so. In response to the statement in the report against the need for a minimum wage Mr Lowey states, and I agree with him, well he rejects, certainly, the comments that it makes a difference when there are two wage-earners in the family, because the need for both a man and his wife to work may mean the difference between an acceptable standard of living and one of comparative poverty. It is often in this type of situation when the second wage-earner may be forced through circumstances to work unsociable hours and consequently the family as a secure and close unit can suffer. There is often in these cases only low-paid part-time employment available.

It is also important that a family on low pay should not feel they have to turn to the state for support. There will always be people who for various reasons do need the help of the state, but most people wish to be able to cope by themselves.

Recalling Mr Lowey's report for a minimum wage of £4.50 an hour does not seem over excessive at first glance, but neither he nor anyone else here knows how that figure fits into the pattern of employment on the Island. Mr Lowey's proposed figure of £4.50, if adopted, would in particular areas have a negative effect on employment opportunities, particularly in areas outside the finance sector and outside Douglas.

A few months ago when I asked the hon. minister for the DTI how many employees on the Island earned below the figure of £3.60 an hour the answer was only a guesstimate, which of course is unhelpful in the determination of a minimum wage and hopefully, as has already been stated, the more accurate returns from statistics will reveal this information.

Small outlets in the retail and catering trades are struggling to keep staff on, due to reduced business activity, particularly outside the summer and Christmas periods. We also know that the volume of retail sales has reduced in the UK and therefore it is unlikely that on the Island we are going to see a great increase in that business activity in those areas. When High Street companies like Marks and Spencer's are struggling and others are making severe cutbacks of staff, then we have to take a careful note of what is happening.

Despite our so-called full employment there are still people wishing to find work in areas of the Island, and I mention my constituency of Ramsey where the majority of positions

available are in the retail trade and also part-time. Many people, for many reasons, cannot flit from job to job in order to command a better wage and can only work in the area of their home. However, a statutory minimum wage of £4.50 in many retail and service trades would, I believe, cut down even further on the job opportunities, and small proprietor-run businesses will certainly have to think very carefully before taking on staff and may well dispense with staff to cut their overheads.

A minimum wage is no good to those who are out of a job.

Mrs Crowe: True.

Mr Singer: The introduction of a minimum wage would bring advantages to many people on a low wage. However, a minimum wage set at too high a level will reduce employment opportunities. That may seem a simplistic statement, but I believe that it reflects the practicalities of the position.

As I said, the evidence presented to the committee described many, many scenarios which pointed both for and against the introduction of a minimum wage, but the balance of the arguments says the following. Does the figure constitute a living wage? Can the employer afford that amount? And any decision either to introduce a minimum wage or retain the status quo will produce both winners and losers. Therefore my conclusion is that we should commit ourselves to a minimum wage to be set at a viable level as soon as we have the true statistical evidence of our position, and hopefully that will be in less than the two years mentioned. It is of extreme importance that the fixed figure is one that is practical and not decided by the political dogma of left or right. Thank you, Mr President.

Mr Kniveton: Mr President, it is a good debate, it is to-ing and fro-ing very well. I have read with great interest, being an ex-employer in my business life, all the points brought out by the majority of members of the select committee and of course I was also impressed with my colleague Mr Lowey with his minority memorandum of dissent.

From the start I will make it clear that I am in favour of a minimum wage and certainly do not support that final report of the select committee.

I have to agree with my hon. colleague Mr Lowey in his opinion that it really appears that the committee has taken the easy option by the matter of delaying a decision for a couple of years, using the Statistics Bill as a reason for that. I believe that the vast majority of employers are good employers paying good, reasonable wages and salaries. Turning that round, I believe that most employees on the Island do receive a fair and proper wage, some of course better than others.

What we should be looking at in this report is the fact that bad employers certainly do exist who get away with paying wages which are neither fair nor equitable, and most of us know who some of them are. Having said that, today we should be concentrating our attention on the bad employer paying less than fair wages.

It does seem a little strange that we sit here today, all of us, in fairly comfortable circumstances, many of us either employers or previous employers and we sit in judgement as to how much a man, and I use the word 'man' meaning man or woman, should earn and deem what is the minimum amount of money per hour that man is worth.

If we just cast our minds back to the budget, last week's budget which was presented by the hon. Treasury minister, I was going to speak during that debate but as time went on most of my words had already been spoken, but it had been my intention to make reference to the fact that those people worse off than most of us, those people on a very low wage, those people below the tax level, do not appear to be any better off cash-wise. I emphasise cash-wise, that is to say, cash in the hand, cash in the pocket. At the end of the debate when the budget was unanimously approved that was the situation for them. To my knowledge we did not agree for a single one-pound coin in the hand to go and buy a bar of chocolate for himself and one for the wife. It is no good increasing their allowances and such like when they are not taxable. Now, today I still have those same people in mind, the poorer paid, those who are not taxable and those who I do not think got a single penny out of the budget. A penny in the pocket again I emphasise.

I hear often enough in this Court about the caring and sharing society to which Mr Henderson has already referred. That is the society in which we live, this prosperous, affluent Island to many. But I would suggest that if we just nod through this report, and perhaps it comes back in a couple of years or so, once again we are showing no care for the poorly off persons within our community. I accept we are indeed talking about a minority of employees and a small minority of employers.

The committee has set out in its very, very comprehensive report, and I know they have put a lot of work into it, all the reasons why they cannot recommend a minimum wage. They talk about the increased unemployment possibility. I personally can accept this argument when currently we have full employment and a shortage of labour. They even state that a statutory minimum wage could result in the closure of some small businesses. Again as an ex-employer I do not think I can accept that conclusion.

I see no reason why the level of minimum pay decided upon in the UK cannot statutorily apply in the Isle of Man. They say that a minimum wage introduced could not be easily abolished. I do not think anybody is asking for a huge minimum wage. We are attempting to encourage single parents to go out to work. We are surely wasting our time unless we can ensure that a reasonable and acceptable minimum wage is available so that these younger persons are less likely to remain a liability to the DHSS.

It is suggested that the Bill will be difficult to enforce and administer. I would respectfully suggest that anyone who is aggrieved with their rate of pay and their knowledge of the minimum wage, then within their payslip is the evidence to use.

I know it is easy to say if an employee is not happy with his rate of pay, then he can move elsewhere, but there are those, shall I use the word, lowly employees who have been with an employer so long they are not even brave enough to consider such an action. They have a lack of confidence and just stay put.

I have obviously given a lot of thought to the report before us and really I believe that we should or we could have been following in this instance recent legislation introduced in the UK. It was for that reason that I was going to place an amendment to the motion to that effect. However, with the knowledge of this other amendment before us I am happy to support it, and at this point I would say it is a great pity, when most of us knew this amendment was coming, that it could not have been put to us much earlier than today, but that is the situation.

I hope we are not going to have to wait two years, and knowing how government works, probably longer, for these people to be brought up to date with wages. Legislation, I believe, should be brought in as soon as possible which would mean, as far as the employee is concerned, he or she should be no worse off, perhaps even better off compared with legislation appertaining to minimum wages in the UK.

I trust hon. members of this Court will agree that if we are truly a caring, sharing government, then we should act now, we should support the amendment and not wait another two or two years-plus to bring in a minimum wage. (**Mr Delaney:** Hear, hear.)

Finally, it is not always that I agree with my hon. colleague Mr Lowey, but I believe he has brought up some excellent points in his memorandum and if I just may remind you, he says a minimum wage does not represent more being paid, just a floor under which in a civilised society we would not expect people to be paid. He also adds that a minimum wage is not a luxury, and I am sure we would all agree with that remark. Mr Lowey calls for a minimum wage in the Isle of Man at the rate of £4.50. I have no real problem with that. Mr Lowey's rate of £4.50 I see brings in a gross weekly wage of £171 for a 30-hour week for a family man or a non-family man or woman as we approach the millennium. Think about that, hon. members. Could you survive on that?

'Hardly exciting,' Mr Lowey says. I do agree. So do not let us use the Statistics Bill as an excuse for holding up a decision on a minimum wage. It has not gone through the Legislative Council yet, let alone being enacted and the effects of such an Act have been brought into use. I believe the Statistics Bill is being used as an excuse to put off the final day of decision, and so I implore hon. members to support the amendment put forward by the Chief Minister and let us get on with the job instead of shelving it. Thank you, sir.

Mr Corkill: Mr President, as a member of the committee who has sat for the last two years or so on this I think it is true to say that from the sentiments that have been expressed by each and every one of the hon. members in this Court, not only today but during budget speeches on previous occasions, we all have a wish, a desire, to help those at the most unfortunate end of our society, the low paid, those with particular problems, and I think the debate really revolves around how we achieve the best mechanism to achieve that improvement, and this was a task that this committee is being asked to look at. But I would like to remind hon. members that the starting point was the motion put to this hon. Court by the hon. member of the Council, Mr Lowey, who at the original situation wished to have the principle of a statutory minimum wage accepted, and this hon. Court did amend that to a situation where the committee was put in force to look at the principle and to look at the wider ramifications of such a thing. In other words at the last time this hon. Court actually debated this subject the principle was not accepted at that time.

Now, I believe that was a very sensible decision of this hon. Court because since then the committee has been able to amass a great deal of information and it has allowed certain processes to take place. We have had all the consultation. We have had many people, especially initially, come to see the committee and give evidence. But it also has allowed the people of the Island and hon. members and, particularly in reference to this report, the members of the committee to tap into other debates because in the time that this committee has been sitting we have had the debate within the UK, and of course the original motion that the hon. member of the Council, Mr Lowey, did put forward was at a time when the UK general

election was about to take place or had taken place and New Labour had this on their manifesto. So it was not surprising perhaps to see the hon. member put this situation forward. And so we have had this time is the time, we have had the debates in adjacent islands for us to tap into. We have seen many newspaper articles and debate with regard to the United Kingdom and also, as the hon. mover of the motion has said, the situation in Jersey, a situation, I can say, which is still evolving and still changing and is still in process, by no means concluded.

The other thing of course is the time that Tynwald has allowed us has given us time to analyse the differences between the Isle of Man and the United Kingdom as far as we have been able to, and it has also allowed the committee to look at long-standing European minimum wage legislation, which immediately showed to me that there was no simple way forward.

It is easy to say with sincerity that a minimum wage can be set with little or no impact. We can all start from that point. It is a simple statement and it is an easy principle to accept. But I would say, hon. members, that it is more of a soundbite rather than something practical.

We are at this position today because other islands have implemented this type of legislation, but I would say that the arguments are very finely balanced. But one real certainty is that if a minimum wage were to be introduced and that level was set at a significant or meaningful level, then there would be a knock-on effect, you would have an impact on wage differentials, and make no mistake, hon. members, that would work its way up through the system. There would be an inflationary pressure applied if that level of minimum wage was to be applied as a meaningful figure. The hon. member who has dissented from the main body of the report has mentioned a figure of £4.50 per hour in his memorandum of dissent.

We had evidence presented as part of the proceedings that was in something I found on my file. There was a quote from an employer who actually pays £6.50 per hour who was also expected to be hit by the impact of the £3.60 minimum wage because of the knock-on of differentials up through the system. He felt that his business was going to be made less competitive as a result of that. So it is not a simple issue and that is one point that I wish to make quite clear.

If the figure is set low, and this is what is being done in the UK, it is being done in Jersey, it is done in the USA, it is done in many countries, then it is my opinion that it is deceitful to imply that for those on low pay that figure will have any meaning or value to them.

There is also a risk, particularly at times when there is higher unemployment, that any figure set will become the norm and it could, and there was evidence to suggest this, perhaps drive wages down to a floor rather than bring some wages up to a floor, and there was evidence to suggest that that was a possibility. So therefore again, hon. members, I suggest to you that it is no simple matter.

Without doubt the best way to improve people's incomes is an expanding, healthy, competitive economy where people's services are in demand and wages and salaries move to reflect those market conditions. That was the situation that was put to this hon. Court by the budget of last week. That is what we must strive and endeavour to maintain.

There is a risk of bringing on unemployment. We are very comfortable today with our high levels of employment on this Island, but we all know of what happened in years gone by and we should not be lulled by today's environment, completely as satisfactory as they may be. The future may not be quite so certain.

In the Isle of Man 70 per cent of businesses employ no more than five people. It was clear to the committee that large multiples or corporates could influence and manage a minimum wage more easily than small businesses, this certainly being borne out by information in the United Kingdom. In fact I saw evidence to support the fact that multiples would actually use it as a weapon against smaller businesses, the very concerns which members were worried about last week in the debate with regard to threats to small retailers.

There is another aspect too and there may be ifs and buts but there was evidence to show trends. Employers could react by employing more piece-work and removing benefits in kind. It is not just a matter of setting an hourly rate, and to see and to learn from the debate that has occurred elsewhere I would like to just quote from an article that was in the *Jersey Evening Post* which was to do with the Jersey Hospitality Association: 'The association, which currently represents 237 properties, believes there are many factors peculiar to the industry which should be recognised if a minimum wage be introduced on the island.' That is the island of Jersey. And then I quote the sting in the tail: 'Benefits in kind, such as living accommodation and free meals, must be taken into account.' Here is an example of an employer looking at his costs, already reacting to what may be imposed upon him.

Now, there is another item and the hon. mover mentioned this. This is the cost of administration. This is something that we do not know. It is not quantified. I was working on a Jersey figure of £200,000 a year, but the hon. mover has also seen this recent article quoting a figure of £400,000. The Finance and Economics Committee in Jersey are asking for the introduction of a minimum wage rate of £3.70 - I have already referred to that as a figure which does not have an impact - on 1st January next year, to be deferred until the financial implications can be considered, which at present are estimated at costing The States £400,000 a year. I would suggest, hon. members, that Jersey jumped the gun in implementing their minimum wage statutory legislation and are now beginning to count the cost and they do not like what they see and I suggest we should learn by what they have done.

There is another point. If minimum wage legislation which is going to be statutory perhaps is implemented, enforcement is an absolute necessity, and I say this from the point of view of the good employer. If it is not enforced, all the signs are in the United Kingdom that the new DTI minister and the previous one, before his untimely departure, all mentioned the fact of enforcement. They have diluted it down. It is going to be handed over to the income tax, there are no resources applied to it of significance, and I think that is unfortunate for the good employer because the unscrupulous will not care. They will wait until they are approached. They will carry on paying poverty wages. The good employer will fall in line and do what the law says, as most people do. The reality is of course that without proper enforcement the unscrupulous will gain at the expense of the good employer, and there is evidence being collected from the Business Services Association to prove that point.

At the end of the day, whatever it costs per annum, surely that money could be targeted more directly to helping people individually rather than bureaucratic administration.

Of course also this issue of a minimum wage is not new in this debate. It has been looked at before. There was a working party on low incomes chaired by my predecessor, the now Chief Minister, which came to a similar conclusion, and that report was part of the evidence taken into account by the committee. But time does move on, but not much has really changed in terms of the argument except that in the Isle of Man at the moment employment prospects have potentially never been better.

Another thing that has moved on since those days is that there is now a New Labour government in the United Kingdom which settled its old promise to Old Labour but then diluted it as much as possible in terms of implementing what was in the manifesto, and as hon. members have already put forward to this Court, there could be a perception on and off-Island that we should follow along with what has become international norms. We would follow the UK, and how often do we hear that we are following on on the coat-tails of the UK?

However, despite the very many negatives towards this there was the issue of the emerging Statistics Bill. There was a thought towards the end of the committee's conclusions that hopefully this Bill will give confidence to unions and to others, and it was also suggested that the Council of Ministers revisit the whole subject in the near future or at some time in the future. This dilemma, as I see it, was highlighted to me during a deliberation of the committee by an article in one of the newspapers which I read, and if I can quote this, I think it puts in a nutshell the whole issue of what level it should be set at and how that impinges on the whole argument: 'The computer projections flooding into the Low Pay Commission cannot make comfortable reading. They show that a very low minimum wage of £3.00 to £3.70 an hour would price few people out of jobs but equally would do little to lift the low paid out of poverty. To cease to depend on in-work benefits most workers would have to work nearly 70 hours a week and then the main beneficiary would be the Treasury, with the employee gaining as little as 3 pence in the pound. A higher minimum wage of £4.15 an hour' - which was well below the £4.60 sought by trade unions at that time and bearing in mind the hon. member of the Council's figure of £4.50 - 'would greatly benefit those who keep their jobs, particularly the 800,000 very low paid whose existing wages would nearly double, but according to a DTI estimate' - and this is the UK because this is where a lot of the information has come from - 'this year for the previous government, if other workers maintain wage differentials the cost would be 1.8 million jobs. The conclusion: if a minimum wage will not help the low paid and could cost jobs, whom will it benefit? The answer from the Institute for Fiscal Studies is that most of the cash gain will go to middle income families who are not affected by the benefits trap. So either a minimum wage does little harm but little good or it risks harming the very poorest, those with no job at all, while damaging the overall economy. The UK Government's decision to set a flat rate for the whole country and all economic sectors suggests that it would prefer a rate too low to make an impact on the real world of work.' If that is not deceit I do not know what is.

The arguments do not change. The issue is a political one at the end of the day. But I would wish to make sure that hon. members, in voting the way they do today, are aware of certain issues and would they feel comfortable? Are they sure, in supporting a statutory minimum wage, that it would target low-paid workers effectively and improve their situation? My view is clear, based on the factual evidence that I have mentioned before. The Institute of Fiscal Studies, which is an independent think-tank, suggests that it is not a useful weapon for

tackling unfairness in incomes. The author of the paper concludes, 'Because most of the low paid are not in work a minimum wage is not a good way to redistribute income from the rich to the poor.' Unfortunate terms, I think. Most of those who gain will be couples where both partners work and young single people living with their parents. These people are better off than the unemployed or indeed many pensioners.

Another point, hon. members, is the red tape, the bureaucracy and the cost of implementation. Please do not underestimate it, because other governments are now learning the problems. But of course in Europe where this type of legislation has been in place for some years a lot of it is ignored, but then that is not new for European issues.

We have seen the emergence just recently of the UK regulations and all the exceptions now beginning to creep in. Hot off my fax machine the other night were all these regulations, pages of them. These are the National Minimum Wage Act of 1998, the regulations implementing the national minimum wage, a report by the DTI minister laid before Westminster Parliament on 16th February, and as an example of what these 29 paragraphs actually detail is number 12 paragraph, and I would see if hon. members are any wiser at the end of this than I was when I read it: 'The practical effect of this approach is that where a worker earns extra performance bonuses in one reference period but receives the money in the next reference period the extra amount will count retrospectively towards national minimum wage pay in the period when it was earned. This flexibility reflects the reality that it will not always be possible to calculate a worker's pay in respect of work done in one reference period in time for the money to be received during that period. As far as annual bonuses are concerned the outcome is that where, for example, the bonus is paid in December one twelfth of the bonus could count towards minimum wage pay in November. I believe this approach goes with the grain of existing pay practice rather than against it and preserves the link between pay earned and hours worked in the pay reference period. The majority of the consultation responses confirm the acceptability of this approach.' This is the sort of thing that we are going to expect. Seventy per cent of our businesses employ less than five people. This is the sort of bureaucracy that we are proposing to implement if we go along with what I detect is the mood in this hon. Court to go for this statutory minimum wage, and I want to make it clear today that it is not a simple issue, that it is a complicated issue when it comes to implementation.

I believe that the debate and the argument for a minimum wage is flawed in practice. I believe that the sentiment that is contained within it is absolutely 100 per cent, but I do not believe that we can always do in this hon. Court what our hearts say without seeing the practicality and being ruled by our heads.

Hon. members, I do commend the report to you. It is a very honest piece of research by all the members involved and I would ask hon. members to support the recommendations within it.

The President: Hon. members, if we just pause for a moment, I had a query as to what actually is before the Court at this moment and what is before the Court is the final report of the select committee and that that report be received, the whole report be received, and its recommendations adopted, and that is the recommendations of the majority signatories to the report. Going on from there we have the amendment in the name of the Chief Minister proposed and seconded and before the Court. We now have notice of a further amendment,

which has yet to be moved, in the name of the hon. member for Onchan, Mr Karran, and I propose now to call upon Mr Karran to move the amendment standing in his name.

Mr Karran: Eaghtyrane, I felt that the previous speaker is obviously viewing this from the point of how he sees it and who has his ear as far as that is concerned, but the more the hon. member went on the more I got more upset with the input from my hon. colleague: excuse, excuse, excuse. We hear these articles from the papers being promoted. They certainly were not from the *Socialist Worker* paper. I would imagine they would be so unbiased such as *The Times*, I noticed in one of the editorials, well known paid-up members of the Communist Party. What upsets me about the hon. member is the way that he has quoted these points, but we can equally quote them from either side and I am trying to be impartial today. I am trying to be impartial as I am more likely one of the few people in this hon. Court, chairman of the select committee, who will almost certainly have some election costs paid against me from one of the prominent unions on this Island, have done every election for the last three, my dear. So I am quite consistent as far as my point is concerned. If somebody is right, they are right, and if somebody is wrong, they are wrong, and I am not trying to say that I feel that everything that the hon. member for Onchan said was wrong, but I do feel that there is a terrible bias there coming from the Treasury minister and I just wish we would have seen a more frank and impartial input into the debate.

I find it rather offensive. I asked for £5 an hour, £200 a week. I find it quite offensive that we cannot say, well, this is the bare minimum that we can expect for our people as far as working. If a job is worth doing it is worth paying for, and I do not want to hear from the chairman telling me how I do not employ people and how I do not have any idea of how business works. Maybe I have not employed anybody. I have to admit I can remember having the gardener who did my garden come to me and say, 'Oh, I only want £3.50 an hour', and I said, 'I am sorry, you've got to have a fiver an hour.' It is unrealistic as a Labour man to expect him to do my garden for anything less. Admittedly after he had pulled out all my flowers and left all my weeds (*Laughter*) I might have realised why his services were so cheap, but we did go through a learning curve and he did get the job right at the end. (*Laughter*)

Mr Duggan: You have got to say that.

Mr Brown: Did he come from Government House.

Mr Duggan: He has got no suitable car.

Mr Karran: Eaghtyrane, at the end of the day I am disappointed with the input into the debate up to now as far as I am concerned. We heard from the hon. member for Ramsey and his excuses once again about the minimum wage and he owned a chemist shop and if you did that you have got to find the money for them. But if the rent goes up he has got to find the money for the rent, and I suggest commercial rents are the biggest problem for the retail industry on this Island at the present time, not wages, far from it, but if the rents go up he has to find them, and if you want to purchase a chemist licence you will pay more likely for the business £200,000, maybe £300,000, especially in a built-up area for that project. So if you can afford that it seems rather demeaning that the poor girl that has got to sit on the other side of the counter is not worth a fiver an hour to help the individual to accrue that sort of money for him to be able to sell these businesses on. I think it is really quite hypocritical of people to begrudge giving a reasonable, dignified amount as a bare minimum.

We also heard about, 'Oh, it creates all this red tape.' Well, I would say it actually lessens the red tape because it means if an employer is not getting that minimum wage it is an open and shut case as far as that is concerned. There is no red tape. You are not getting that wage. That is the minimum wage that a civilised decent society believes in. I believe that that is what we are talking about today: a decent civilised amount that we expect anybody to live on in this day and age.

The hon. member of the Council - I was impressed with his concerns and support as far as the minimum wage is concerned and he mentioned single parents. But at the end of the day what also upsets me about these low wages is the fact that it is the taxpayer that ends up subsidising scab employment at the present time, not anybody else, because we have succeeded, after years of fighting for it, to get FIS down to 16 hours for single parents so that they can go out to work. But at the end of the day if you have low wages it is the taxpayer that ends up footing the bill as far as that is concerned because they are subsidising bad employers, and I think that point needs to be brought out as far as that is concerned.

Now, I was interested to see the Chief Minister's amendment and I am glad to see that he has taken it on board, but what I am worried about is that it will be taken on board and we will never see it again if there is no time period for it to come back. And he says, 'Faith', as far as that is concerned. If I have that much faith, as I say, I will be applying for the Bishop's job when it comes to looking after the weak and the sick and the needy.

The Lord Bishop: Can we do a swop?

Mr Quine: You are a Catholic, Peter. *(Laughter)*

Mr Karran: I can convert. *(Laughter)* I am not choosy. *(Laughter and interjections)*

A Member: The Bishop may be!

Mr Henderson: Hear, hear.

Mr Karran: Eaghtyrane, I hear this great blanket that is being put on commerce and business in the Island today if we support the idea of a minimum wage. Let us start talking in reality as far as it is concerned and the reality is if we are worrying about commerce and business in this Island have a review of the Business Premises Act of 1952 to sort that out. If there is a problem as far as business is concerned in this Island and we are worried about business, let us get the starter units going. If we are worried about the costs of business in this Island, instead of trying to push the ones at the bottom even further down, sort out the off-Island transport and get the costs of transport to this Island down, so manufacturing can sort itself out.

Now, all right, these are part of an issue if we are worried about creating the environment for business to grow, these are issues that need to be dealt with. We have started on the electricity costs. Hopefully we will see something done about bringing some cheap gas to the Island in order to bring costs down to employ more people.

Mr Downie: Cheap water!

Mr Karran: You have cheap water, my friend.

Mr Cannan: Not at Little London: they do not have any.

Mr Karran: If we are really worried and concerned about commerce and about employment on this Island, they are the core issues that we need to address. Do not throw the ones at the bottom of our society to the wolves as an excuse because it will affect the commerce and the business on this Island, because it is not true and it is rubbish if that is so.

I hope this hon. Court will support my proposal as far as my amendment is concerned because I believe that that amendment is needed to concentrate the mind. At the end of the day, when I look at the likes of the Redundancy Payments Act, it took us 20-odd years to get anywhere with that, and we look at other pieces of social legislation. I believe that if the Chief Minister is sincere about dealing with this issue, then he should support my amendment and then there should be a time limit put on it and let them come back. But I do not believe there is. I believe that they want to dodge the issue, use the ones who can least fight back as an excuse that they cannot do anything for them because they are not dealing with the other issues. Come clean and admit that it is unacceptable that people should not be earning £200 a week, bringing it home for their wife and kids, in this day and age. I beg to move:

For the words after 'received' substitute:

'and be referred to the Council of Ministers with a view to proposals in relation to a statutory minimum wage being brought forward not later than the October 1999 sitting of Tynwald.'

Mr Downie: Mr President, when the report of the committee, the Final Report of the Select Committee on a Minimum Wage, came out and in fact before I had read it I, I suppose in my dreams, imagined that everything in the garden was lovely, the Isle of Man was enjoying full employment and that market forces should prevail. Now, that is a feeling I have held for quite some time until I started to get into the report and I had one or two people contact me and I had a chance then to do a little research into the background of the subject, and there is no doubt about it, this Court has been tackling this problem for nigh on 20 years now in one way or the other, and I am not sure that the problem will find its own level.

What has become blatantly obvious, hon. members, is that there are certain high-risk groups in the Isle of Man, and I will call them high-risk groups because they always seem to be at a certain level where it is very, very difficult for them, come what may, come whatever stage the economy is in, to seem to rise above any sort of acceptable level as far as a minimum wage goes.

Now, it used to be people doing menial jobs - housekeepers, cleaners, people in pubs washing and collecting glasses, barmaids - but that is not the case any more. Whatever has happened in the last few years with our social mix, that in fact is the opposite now because I can tell you that part-time cleaners in this building are paid in the region of £5.40 an hour. We are currently paying young people about £5 an hour to collect and wash glasses in pubs of a night-time, and that leads me on to my next point. When we look at the Isle of Man Whitley Council rates of pay - and, all right, I will use the case that is in the report here because that is a document most people have in front of them - grade 1, Whitley Council worker, basic £148.99 a week, with his bonus, his IPP: total, £179.62 per week. What people ask me is, fine, that may be the case for a person on Whitley, but to me I cannot see where the differential in lots of these things is because if you look at somebody working on a Whitley scale and he is out there digging a hole in the road for the Department of Transport and then across the road you have got somebody digging a hole for the Water Authority where their lowest scale is a

water worker class 4, his basic is £198 a week, his productivity is £22.68 and his total is £221.10. Now, no wonder we get ill feeling among the workforce if this sort of, I will not call it discrimination, but if this disparity is present right at this level in two basic functions being carried out by government workers in a very similar sort of mode, and if you look at that throughout the economy, and we accept there are good bosses and bad bosses and others reward people in other ways, it does really bring you round to feel that there should be some sort of a minimum in the Isle of Man.

Now, it is not often I agree with the hon. member for Onchan, Mr Karran, but he did make a point and the point he made was how many people out there are actually relying on payments from good employers to subsidise the bad employers? So in other words how many people at the bottom end of the pile are continuing to rely on income supplement and support from central government funds when, all said and done, at the end of the day that contribution emanates from the success of the community who are carrying everybody else along? So we have got a chicken-and-egg situation, and I think that is very, very valid.

When I started to enter into this debate I thought to myself, well, there are other avenues that need to be addressed as well. If we are paying an 18 or a 19-year-old lad £5, £5-plus an hour to pick up glasses and wash glasses in a pub or to go out and do a cleaning job, there is little or no point in advertising an apprenticeship for him for £1.50, £1.70 an hour. Where are we coming from? If we are going to look at this issue let us get the whole issue out on the table and have a proper look at these minimums, and if we are going to have a base-line, let us have one that we can understand quite easily.

I have not got to hand any figures with regard to health workers and care assistants and people at that sort of level and I understand that they are quite low.

Now, in the Island at the moment we already set a minimum wage for people in the agricultural sector. We have a mechanism where we set the annual rent for people in local authority housing. I would like somebody who perhaps served on this committee who has not spoken yet to tell me what consideration was given to having an annual round of talks in government and government, on an annual basis, taking RPI and everything else into consideration, setting a minimum for that year, and at least you have not got the problem then of nailing things down or making silly promises which cannot be met and worrying people who are in business where business may have fallen off, and we know there are peaks and troughs, like everything else. So I would like to see a situation where there was an annual review and from that review there was a minimum wage.

Mr North brought a very good point out about opting out of NI. Now, we have already seen that where we have got one of the major shipping companies in the Isle of Man which has decided to opt out and I personally think that is appalling (**Mr North:** Hear, hear.) and I personally think that this issue should be addressed when we are looking at the situation with regard to the minimum wage.

Mr Lowey - I know he feels that a figure of £4.50 an hour is one that he is seeking to promote. Now, if we had this annual review, that indeed would allow some flexibility and if there was a good year and full employment and the consensus of opinion was that labour costs were fairly high, you could have a higher minimum wage.

The other thing that worries me greatly is the fact that more and more people in the Isle of Man now, despite the fact that we are doing well, are in part-time employment, and I do not know where we are up to with our rights with regard to that group of individuals. I think it is high time that government had a look at what was happening with regard to part-time staff and some information was coming back to the members as to what a clear government policy was with regard to part-time.

Having listened to the debate thus far, I am going to support the amendment that has been moved by the Chief Minister, but I would also flag up that it has also been mentioned, the terrible amount of time it takes to progress some of these issues. Now, I know this issue is fraught with all sorts of complexities, but in supporting the Chief Minister today I would ask that he gets on with this particular issue and looks at some of the other areas that I have mentioned in the debate and that we can have some information, possibly towards the end of this year. Thank you, Mr President.

Mrs Cannell: Mr President, looking at the report that we have been asked to consider here today by the select committee, I can appreciate the length of time they have put into this and also the input of other individuals, organisations and officers, but I have to say I was somewhat disappointed that there was only one recommendation coming forward from this particular report, with a bit of a rider attached on the end, 7.8(b), that the Council of Ministers should consider the minimum wage position in not more than two years' time. I find that, as it has been presented to us today, unacceptable and I could not support the findings, the one recommendation with the rider, the sweetener, to try and soften the blow for not doing anything.

I would also suggest that the recommendation that has been made in here at 7.8(a) is discriminatory because what it is actually suggesting is that those people who are looking for jobs, who are receiving jobseeker's allowance and are obliged to be looking and considering and taking, where appropriate, jobs, it will be reasonable for them to refuse to do so if they feel that the wage is not sufficiently high, but it really does not attend to the situation where a person is in employment, who is and does believe he or she is being underpaid and therefore undervalued, but as the hon. member of the Council alluded to earlier, that often is the case where you have a person who has perhaps worked for a small establishment for nigh on 10, 15, 20, 30 years or more. There is a degree of loyalty there and they put up with the poor wage. So it is a little bit discriminatory and I am disappointed in that.

I was encouraged to see that the Chief Minister, at the beginning, moved an amendment which really is closer to the mark, I feel, of the views of hon. members in this Court today in that my reading of the situation is that there is a majority feel in here that we are in principle in support of a statutory minimum wage. Now, I might be wrong, but that is my interpretation and that is the feeling I am getting from where I am sitting at the moment. If that is the case, then I think this government has moved bounds when compared with 20 years ago when they were first facing the problem and the dilemma of whether or not there should be a minimum wage.

I think if this Court today can support the Chief Minister's amendment or the amendment moved in the name of the hon. member for Onchan, Mr Karran, which I am happy to second at this point, Mr President, if it has not already been done so, is a real big step forward, I would suggest, in that the principle will be endorsed and that Tynwald is of the opinion that in principle it endorses a minimum wage.

But of course with the Chief Minister's amendment it merely says that the ministers will consider with a view to proposals being brought forward, but there is no time on that, and it has been said here today there is a worry it could take anything up to two or more years. I believe that is not satisfactory in this situation. That will take us very close, I believe, well, not too far off from the next general election and I can see this issue being pigeonholed at that time and it will wait for a new House to be elected and a new parliament to be assembled.

I think we have to strike now while the iron is hot. If the will of Tynwald today is in support of the statutory minimum wage in principle, then it should put some backing to that by insisting at the very least that such consideration by the Council of Ministers, the findings of which or a way forward or proposals with a way forward, should be presented at the October sitting of this hon. Court, and I see that as being no problem because it is giving something like eight months for the Council of Ministers, or a sub-group of the Council of Ministers, to consider ways in which proposals acceptable could be brought forward.

On the question of a statutory minimum wage, I have never ever had a problem with that principle and I too have been in business, I too have had staff and I too have trained apprentices in my time, and I am quite pleased that those apprentices I did train are now running their own successful businesses and subsequently training their own staff.

I was always of the view, when I was an employer, that you paid a decent basic wage for your staff. If you wanted to retain your staff, good staff, then you paid them a decent wage. I am very much in favour of a minimum statutory wage being a basic. I do not agree that it should embrace other things like bonuses, overtime, et cetera because they are additions to the basic. I think you need a good sound basic wage. That of course is adhered to by many good employers, as has been said here today; many good employers do in fact pay a decent basic pay. Many, however, do not. During my time as an employer I was quite perturbed one particular year to discover that an executive federation to which I belonged, representing the craft that I and my colleagues at that time provided in the service provision, many of my colleagues were not actually keeping to the guidelines that were proposed by a national federation in terms of minimum levels of pay for its employees. Now, I found that remarkable because of the colleagues with me on the executive committee, many of whom had been in business for a long, long time, many of whom had done very well financially out of their businesses in terms of having not only a secure family home, or two or three, with very regular holidays, and very loyal and good staff had remained with them but felt undervalued, and yet they were paying the staff much less than the guidelines suggested by the craft federation of that time, and yet I and a number of my other colleagues were actually complying with those.

So it shows that if you give a choice by merely a code of practice to employers you will find good employers will follow the code of practice and pay a decent wage and regard their staff, but you will find, unfortunately, those who will not, those who will seek to make more gains than they would care to share with their employees.

I would like to see a statutory minimum wage linked to average earnings. I think that would be the fairest way of doing it and of course we do have a precedent set here in the Isle of Man in that we do have a minimum wage for the agricultural industry, and it is interesting to note, by the information contained within the report, that that at the moment is set at £3.97 an hour for an agricultural worker aged 19 or over, and yet we have heard from the previous speaker that he is aware that we have youngsters of a similar age, I would suggest, earning £5

an hour for collecting glasses in a pub and that indeed that cleaners who are contracted to undertake work in Government Offices, are actually on more than £5 an hour. It is very interesting and of course there is already an imbalance there. But at least there is a statutory minimum wage of a sort for some of our workers and I think we should be building up on that.

Just to correct or perhaps clarify something that was mentioned earlier by the hon. member for Middle when he was talking about his concern in relation to part-timers and the lack of national insurance contributions from employers, of course he is quite right and we do have to address this situation as part of consideration here. But in fact you are allowed to earn, I think I am correct in saying, £64 a week before you are obliged to pay a national insurance contribution and so it is a little more than £50 which I think the member referred to earlier on.

Finally, there is just one small passage in here, in this document here today, that gives me some concern and with your indulgence, sir, I will just refer to one paragraph of it and this is from Mr S Carse, I understand, in relation to advice given to the committee, numerous advice, written advice, and it is stated here, 'If a minimum wage is to be introduced then logic suggests that one should err on the side of caution and set the wage at a low level, perhaps with a view to it being raised towards the average level of earnings over time. Even this however would go against the Government's non-interventionist stance in economic matters', and I think this is what we are faced with here today. If there is a divide in this hon. Court, then this is where it is coming from. 'It could defend' - this is government - 'a continued position of non-intervention by arguing the point that poverty and low income is essentially a household circumstance and that all the evidence indicates that the poorest households are those not in which individuals are on low wages, but rather in which no-one is employed.' Well, I have to take exception to that and I think there is a great deal of our lower earning population out there who would take exception to that. I know just in my small constituency on this Island I have families where the husband works and does long shift work for very poor pay, but he has a wife and three or four mouths to feed and as a consequence to that the wife goes out to supplement the husband's earnings and in one particular case I know that the wife, the mother of four children, is actually undertaking three part-time poorly paid jobs in order to supplement that salary. I would regard that family as being worse off than those who can go to our department and claim all sorts of benefits if they are unemployed or incapacitated and cannot work, because we do have a fairly good and healthy benefit system, and I would not agree with that and it worries me that this kind of tone predominates all the way through the report and therefore it is hardly surprising, I would suggest, that this committee have come up with the resolve that they have today.

I am happy to support both amendments and I am happy to second the amendment circulated in the hon. member for Onchan, Mr Karran's name.

Mr Lowey: Mr President, can I just first of all start by congratulating my chairman on the manner in which she introduced her report and for the manner in which she chaired our committee throughout a very long period and, as you can see from the final findings of the report, she had a difficult task. I have to say and pay public tribute to her for the manner in which she carried it out, always with a smile, and, yes, she did invite me to become her I almost said toy boy, but it was not a toy boy, house boy was the word, at a rate way over the minimum wage and let me say it is on file and I am thinking about it.

Mr Downie: It may be even higher!

Dr Mann: Don't accept!

Mr Lowey: But she has in her report, her opening report, spelt out in a reasonable way the findings of the main committee. You have already heard from my other colleague on the committee who is a signatory to that report, Mr Waft, who said that he himself had put in a minority report because of his uncertainty but was persuaded at the final hurdle to withdraw it and to go along with the main report. So there is doubt there.

I have also said in my minority report that I do not doubt the sincerity of my colleagues. I do not and that is why I found some of the remarks of my colleague the Treasury minister a little upsetting, but I will come to them later.

I disagree with my colleagues on the evidence that was produced and if you go and read the evidence you will see why. It was evenly divided. It was not all on one side and down on the other. But I do believe that there comes a time when it is not the volume of the evidence that is important but the quality of the arguments that have been advanced, and that is why I have come down, and it is not a soft option to be a minority. You have to write, for a start, your report yourself without the services, I may say, of the learned and eloquent Clerk. So do not believe that writing a minority report is an easy option. It ain't. You have to do it yourself with no back-up. So that is number one.

Number two - it is not a soundbite and I will try and justify my report, my minority report or memorandum of dissent, by saying to you that in adjudicating this I think you have to start off from the premise, as I did when I introduced the thing in the first place, of fairness, and it is no good anybody here in this Court saying, 'Ah well, at the same time as we are having prosperity, at the same time as we are giving £2¹/₂ million to small businesses, they do not have any responsibility to the people that they employ.' They do and when I heard the economist Mr Carse being quoted in this Court, where we are a non-interventionist government, forgive me if I tell you that we intervene in agriculture, we intervene in small businesses by giving them tax relief in a huge way that is not available to others. So do not tell me that we do not, as a government, intervene: we do intervene when we require it, and I would suggest that this is a case where we do intervene at this particular time.

Now, I am not opposed to market forces forcing wages up, and having a minimum wage will not interfere in any way with market forces. All I say to you is that it is a floor under which you will not fall.

Now, it does seem to me reasonable and fair that at the one hand we as a government are sustaining small businesses. The chairman of the main report said we are unique. I would suggest we are not unique at all. We are the Isle of Man, working very much in the real world. It is no use pretending that we can absolve ourselves and insulate ourselves from the real world. I thought that was part of the message that we were getting last week in the budget. I thought we were saying we value labour, we want it trained, we want to invest. Part of the tax deal is for the people to invest in their labour, to get it highly skilled, more motivated, and paying people a reasonable rate helps in that, does not hinder, and that is why I believe that my minority dissenting memorandum is sound and based on the facts that are before every member of this Court who took the opportunity to go and look at the evidence that we ploughed through and looked at over a longer period of time.

My chairman said it does seem to revolve around evidence, that we need evidence - no, worse than that - we need absolute evidence before we can move. We have got to have absolute evidence. Now, any statistician will tell you that if you have got 48 per cent of a sample, I cannot think of any statistical survey that has got more than 48 per cent. I accept that 48 per cent of them, as my colleague said, is from the people who are paying well and not from across the board, but it is very much they had the option to do it and chose not to do it. But to say we have not got the statistics . . .

The Chief Minister said he was chair of the low-paid committee five years ago and the findings were, 'Sorry, we can't do very much for the low paid at the moment because we haven't got any statistical evidence.' Five years on we have got a Bill for statistics to be made mandatory, five years on, and, by the way, we have our present Treasury minister telling us, 'And by the way, this is a better way to spend money, resources, on the low paid if we don't have a statutory minimum wage which will cost something and those resources can be put on the low paid.' I wonder what we have done for the low paid for the last five years. Let me tell you what we have done. Last year I voted against his budget because he had done nothing for the low paid. I voted for his budget this year because I believe the promises that the minister has publicly made regarding his desire to help the low paid and it was on the strength of that that I was able to support his budget, although it did not have anything specifically in for what I call low-paid people who do not pay taxes. So do not come the argument that if you have to have regulation and it will cost something you could use that money to pay for the low paid. To use the adjective of my hon. friend, that is deceitful.

Now, coming to the arguments again of my hon. friend the member for Onchan, who made great play of Jersey, he said that their local hospitality association in Jersey were worried about the effect it would have on them. Well, quite honestly, I am not too worried about what the hospitality association of Jersey thinks about minimum wages. I am interested in what our local hospitality association, the Manx local hospitality association, had to say in evidence to the committee and it was wholehearted support for a minimum wage as long as the minimum wage was set at a reasonable level. So they were in favour of the resolution. Now, I would have thought it was more important to find out what our people are thinking rather than thinking of what the people in Jersey are saying.

I have already referred of course to the cost of administration. Can I say about the administration, and this is really a point that was raised and touched on by the hon. member for West Douglas. He actually said we should look at it in the round and have the costs. Well, of course there will be costs, and the member for Onchan again made remarks about his fax machine being overburdened with paper, with regulations. Well, hon. members, we write the regulations, we make the legislation, we make the regulations for ourselves. We can either choose to have the regulations imported from the UK or write our own, and the hon. members of the committee will know when we were discussing this that I spelt out what I would call the simplification of regulations. We have to have regulations, we are all agreed on that. We are all agreed that if we are having it, it should be enforceable, and we are all agreed about that, and I spelt out that we could simplify it and how we could simplify it, using the new legislation that is coming through the branches now. So I am not having that to be used as an example of why we should not accept the principle.

Now, I was quite happy to move an amendment that my memorandum of dissent should become the main substantive motion. In fact I have it written ready to circulate. But on seeing what the Chief Minister said in his amendment I was quite prepared to go along with the Chief Minister's memorandum and I will not be moving my memorandum of dissent. I am not about soundbites, striking poses. I am about accepting the principle and getting it enacted, and I was quite happy to accept the Chief Minister's proposal without reserve. I now have to say that I will be supporting Mr Karran's amendment. I will be supporting the Chief Minister's if Mr Karran's fails because although I heard the Chief Minister say and have faith, I have to say after the Treasury minister sat down my faith was somewhat dented because he will be one of the members who will be discussing this particular resolution again. So I think there has to be a timetable.

We could go on for a long time. We mentioned regulations and I noticed there was some sort of dissent in the Court when I mentioned it, but Jersey have regulations already written, and it may interest the Treasury minister, as he has a great interest in Jersey, to read what their regulations actually say and they have simplified to a large degree. Perhaps we could pick up an idea or two, next time you are down, on their regulations.

So today is about a principle, today is about trying to put out a beacon of hope for people on low pay, and I do not agree with my committee. We totally disagree that there are no low-paid people on the Isle of Man. They never say that. No, of course they never say that. But what they say is it is unquantifiable. But meanwhile wait another two years on top of the five years they have been waiting since the last low pay report, that is seven years, and I think Mr Karran is legitimate in pointing out that other social legislation has taken an inordinate length of time to be brought forward, and if you pardon the expression, hon. members, those of us who have been in here a long time will pardon me for saying that we heard all of these arguments that are being trundled out against the minimum age today trundled out when we dealt with redundancy pay.

Mr Brown: Not when we did it properly.

Mr Lowey: It was trundled out to oppose redundancy pay and then when it was introduced, what happened? Was every small business in the Island closed down? No. 'It was done properly', says the hon. member for Castletown.

Mr Brown: It was.

Mr Lowey: Of course it was done properly.

Mr Brown: I did it. (*Interjections*)

Mr Lowey: I have no doubt about it. It was done properly. But that was interfering with the market place. It did nothing for the people for 20 years who did not get redundancy pay. It was introduced at the right time when we had full employment. It has been done now by a proper thing when there is full employment. Now is the time to do it. There will never ever be a better time. A minimum wage will not interfere with the marketplace. It does put in a floor under which people should not have to subsist and how anybody can object to that, I do not know, who looks at it in a fair, rational way.

I do not think standing on my feet speaking for another 10 minutes, 20 minutes is going to persuade one single member to change the way he or she has decided they are going to

vote. What I can do is quote from a letter from a lady which I have shown to the mover of the resolution, who in her summing up said we have no evidence. I quote the letter from the lady from Port Erin which my chairman knows about because I showed her the letter -

Mrs Crowe: Not at the time.

Mr Lowey: - and it is signed - in which she says that she is one of the low paid. She earns £3 an hour. Actually, by the time her deductions are out, she takes home £2.55 an hour, and she thought that was an area which she was far from satisfied with and that really this Court should bear these people in mind when they are voting, and as far as I am concerned, I do not mind being accused of soundbites, I do not mind being accused of being deceitful, but I do reserve the right to continue to speak up on behalf of people like my former constituent and the constituents of the hon. members for Rushen. (**A Member:** Hear, hear.)

As far as I am concerned, the case for a minimum wage is overwhelming. History is right, the time is right, as the Chief Minister said, for the Isle of Man to introduce it, and I believe we do need a timetable because I do not believe we can wait another two years. Therefore I will not be moving my memorandum of dissent but I will be supporting the Chief Minister's amendment as amended by Mr Karran and I would urge the Court to do so as well.

Mr Rodan: Mr President, I was very disappointed with this report and with its recommendation, disappointed not so much for the breadth of views that were submitted or the weight of evidence that was sought, but what was done with that evidence over the two-year period that the committee had been sitting. It seems to me that it has been very much a case of 'So much evidence for the case and so much evidence against the case, therefore the case is finely balanced and therefore our conclusion is to do nothing or at least to do nothing for two years.' I would say that the job of the committee was to test the evidence that was before it. How valid was the evidence to begin with? How much was opinion? How much was fact? A lot of the evidence did seem subjective. Was it supported by the facts?

A good starting point would be the principle, and I know other members have talked about this this afternoon, but to me the issue is fairly straightforward. It is one of principle and one of international norms, as the Chief Minister correctly brought to our attention. Those norms reflect the fact that the United States has had a statutory minimum wage since 1938. Nineteen out of 20 European countries have either a statutory minimum or minimum wages negotiated collectively. The UK is moving towards such a system, and Jersey, of all places, is also moving towards such a system. It seems to me the case for international norms is self-evident, and in fairness the report did itself report the other countries who had statutory minimums.

So the issue was straightforward and it seems to me that the select committee should itself have had no difficulty in starting with an opinion, that opinion that there is a social principle here and therefore that they could have supported the social principle behind the proposition of a statutory minimum wage from the point of view that all good employers see the benefits of paying staff fairly for work and for providing good social conditions and that the objective should be to make all employers good employers. The testing of a minimum wage in that scenario seems to me something that the committee could usefully have done.

Therefore, if it is not the principle that is in dispute, and to many in this Court this afternoon it is not in dispute and I think even among some members of the select committee,

Mr Lowey excepted, for whom it was in dispute, I think even with them it is perhaps not in dispute, the way it was, but what could be in dispute and clearly was in dispute was the level at which the minimum wage should be set appropriate to the circumstances of the Isle of Man, and to me that was the political trick: to determine the appropriate level and to identify the level. One can agree the political principle, in fact one could have also sought evidence in support of that principle, and secondly, if the principle stands up, what is the level?

Now, in my own evidence to the committee I pointed out a statement from the Institute of Personnel and Development which indicated they had no objection to setting a floor for wages and that statement read: 'A modest and sensible minimum wage could help considerable numbers of low-paid workers without putting jobs at risk or causing untold harm to the wider economy.' This was a statement from the Institute of Personnel and Development and I therefore suggested at the time to the committee that it was the committee's job to assess the potential for harm to the economy in an Isle of Man context of a minimum wage and to determine the modest and sensible level at which it should be set to prevent such harm.

The Institute for Fiscal Studies made a report in December 1996 and in my evidence to the committee I pointed out their conclusion which was that a minimum wage was a badly targeted weapon against poverty since 'the majority of the low paid were young people or working wives from relatively affluent households'. This was pointed out to the committee and I noticed the hon. member for Onchan, Mr Corkill, referred to the Institute for Fiscal Studies this afternoon, and I am not sure whether it is what they are saying now or what they were saying then, but certainly what they were saying then was along these lines and therefore there was plenty for the committee to get its teeth into to test that view of the Institute for Fiscal Studies because they were maintaining that the introduction of a minimum wage would help the better off more than it would help the very poor, since most of those who gained would be couples where both partners worked and where young, single people lived with their parents. This was the essence of their conclusion.

Now, I have to ask was that tested by the committee sufficiently because it seems to me in the report that there has been not any specific analysis of this question of potential harm to the Isle of Man economy from setting a minimum wage or of the costs of a minimum wage. There have certainly been references to the woeful lack of statistics because of employers' returns being inconclusive or such as not to draw valid conclusions, but it seems to me that this has been used largely as an excuse to come to any conclusions, the lack of statistical evidence. Certainly there is lack of statistical evidence from employers' returns, but we did have -

The President: Would you address the chair, hon. member, please, in keeping with standing orders.

Mr Rodan: Thank you, Mr President. There certainly was evidence from the economic affairs division of Treasury about the effect or the presumption of a minimum wage on the Isle of Man economy. Appendix 3(a) in the report refers to the basic fundamental law of demand, that an increase in the price of a resource or commodity, all other things remaining unchanged, will result in a fall in demand of that resource or commodity. In this context the introduction of a minimum wage will, in affected sectors, create unemployment. That was the theory that was pointed out. But it was also pointed out by Treasury that the likelihood of a minimum wage sparking off a general rise in wages is greatest in economies characterised by

a high degree of centralised collective bargaining where unions attempt to claw back the erosion of pay differentials.

They went on to conclude and the final word from the economic affairs division was that to generalise findings from elsewhere would be dangerous. 'Intuitively it could be suggested that the Isle of Man, with its preponderance of small firms would be more affected than most by the imposition of a minimum wage - again, depending on the level at which it was to be set.' But we have heard that there is insufficient statistical evidence to test those suppositions from Treasury. A lot of the report has been based on untested evidence, so my question is what are the costs to the Isle of Man?

Now, in her introduction the hon. member Mrs Crowe, in moving, said, and I quote: 'A statutory minimum wage is going to cost us a great deal of money.' Cost us. Cost whom? Who is 'us'? She went on to quote the figure of £400,000 in the case of Jersey as a cost. My understanding was that the cost to government was £100,000, but the hon. member for Onchan, Mr Corkill, in his submission, did seem to bear out that it has now gone up to £400,000, the cost of administration, but Mrs Crowe then went on to say that in the case of the United Kingdom it was £2 billion. Now, surely it is not administration costs to government that are £2 billion. Is this not an overall recurring cost to the employer that is being referred to here? Are we really talking about an administrative cost of £2 billion?

Anyhow, I would have thought the committee would have been well placed to try and identify the actual or the anticipated bureaucratic costs to the Isle of Man, but we have got nothing in the report referring to that from Treasury, the anticipated administrative costs of administering a minimum wage. We have got the Jersey costs referred to today and the UK costs. Where are the Isle of Man costs? The Treasury minister was on this select committee. Before we make decisions should we not have an idea of the costs? We certainly talked about that yesterday in a different context. We do not know what the costs are, so I do not know why we are going on about the costs as an inhibiting factor to the principle because it seems to me that we could usefully adopt the principle, as Jersey have done and carried forward into positive proposals, and I will conclude by just quoting what the Jersey Employment and Social Security Committee had to say in their proposed legislation and they said that the aim was for it to be simple, straightforward, prudent and supportive of a competitive economy and they were recommending a package that took account of business realities but removed the worst cases of exploitation, therefore making a difference to a large number of workers. 'Continuing review and periodic updating by an independent body should ensure that the minimum wage finds a balance between the needs of the low paid and the economic needs of the Island.' Now, that was what Jersey concluded. It would seem to me that an appropriate response by the Isle of Man select committee investigating this issue could have come to exactly the same conclusion, and I certainly regret that it did not and I will certainly not be supporting the motion but be supporting the amendments.

Sir Miles Walker: Mr President, the hon. member who has just resumed his seat started with his views on this particular subject, when we discussed the proposal by Mr Lowey that this matter be looked at, with a view that a statutory minimum wage would be useful and would work, and he certainly said that to us in his letter of evidence to the committee. I started off with the opposite view. I felt that a minimum statutory wage set in the Isle of Man would not in overall terms be helpful. Now, that was my view at the beginning and I have been looking at

evidence coming forward to try and find something that would persuade me that I was wrong and I should change my mind. I have to say I was unable to find that evidence.

The hon. member Mr Waft, when he was addressing the Court earlier on this afternoon, made a statement that there was a significant increase in wage irregularities in the UK over the last 20 years and that is a statement and there is evidence to support it.

When the last general election was taking place in the United Kingdom and the Labour Party were setting out their stall for the electorate Mr Blair made a very firm statement that he wished to raise the level of pay for the lowest paid in the community and to reduce the irregularities. An absolutely proper thing for him to do. He also made a firm statement and backed it up with a promise of minimum wage legislation and some other initiatives to try and assist in that election promise or the promise that he was making. So we are now in a situation where minimum wage legislation was introduced in the United Kingdom and the level has been set and it will be interesting to see how it develops.

In the Isle of Man, though, the Isle of Man Government has been making a firm statement for at least the last 10 years that they wish to see the overall level of incomes rise in the Isle of Man and the standards of living improve, a firm government statement, not a statement that was being made by Mrs Thatcher's government before the New Labour government took place. She wanted to get people back into work, she made certain changes which allowed that to happen and it produced a great amount of irregularities. It is up to the British people to decide whether or not or which of those situations was in the interests of that community, not up to us. But the very firm statement that the Isle of Man Government wishes to raise the standard of living of all the members of its community is one that has been made very regularly, at least on an annual basis, and has been supported by at least the majority of members of this hon. Court on each of those occasions, and it was proposed that the way to do that was by increasing the level of activity in our economy out here, attracting in employers, initiating individuals within our own community to become employers, to produce competition within the workplace, to increase efficiencies and so to raise that average level of earnings, and I would suggest that those policies have worked, that we should be proud of them and that we should be continuing with them, and I was delighted with the contributor earlier this afternoon who mentioned the Prosperous and Caring Society document. I for one am pleased to know that that is not dead.

Last week we had our budget and some described the resources available to the Treasury minister for that budget as remarkable. Our community has today been referred to as affluent and prosperous. I would not go so far as to say that. I think we have got a long way to go. Evidence suggests we have got a long way to go in raising the level of incomes of this community. Our GDP per head, as we know, is still a way behind the United Kingdom and they in turn are quite a long way behind some of their European counterparts. So let us not pretend we are affluent and prosperous, but we are doing better and we do have an economy, I believe, of which we can and should be proud.

So, yes, the resources available to the Treasury minister are remarkable. I can agree with that. But the economic development and the situation which appertains today has not happened by accident. Full employment, rising incomes, redevelopment of town centres, upgrading of shopping streets, young people with confidence enough to be looking for their own homes, and indeed a shortage of available housing, a suggested requirement for 350 or

400 new housing units per year, and the motivators of that economy that has produced all those things I believe need to be encouraged and they need to be nurtured. Do not let us take anything for granted, hon. members.

We had 12 per cent unemployed in 1985-1986. It is not very long ago. Empty houses - I was going to say by the score - empty houses by the hundred, falling property prices, not just houses for sale, empty houses that the owners had left to try and get work in the adjacent isle, and not long before that we had years when this Island - and the hon. member Mr Karran referred to it earlier this morning - perhaps saw five or fewer properties built in a year. We had shopping streets full of empty shops and our young people were leaving in droves, especially those ones that could give some economic incentive to this community, and some elderly people, many of them having been born on the Isle of Man, were returning after their life's work.

I referred to economic motivators before. They have been encouraged to come to the Isle of Man, to stay on the Isle of Man, to become economic motivators by an attractive legislative backdrop, a non-bureaucratic business environment and an encouragement for people to get out there and work. I think we should be continuing that.

I am committed to raising the standard of living of the Manx community, all of it, and when I hear letters read out like the hon. member read out this morning my heart goes out to that lady. I can understand entirely the situation that she is in, and it is not an enviable one, but we ask the question, will a minimum wage necessarily help that individual who has been exemplified?

Mr Lowey: It will not hinder her.

Sir Miles Walker: We do not know. The hon. member says it will not hinder her. We do not know. We do not know whether or not that job opportunity is capable of remaining available at a price of £4.50 an hour, as suggested by the hon. member Mr Lowey in the report, although I accept that memorandum of dissent is not in front of us. But we do not know if that job opportunity will be available and we do not know how many others are in that same situation. What we do know is that we have a support system within this community of which we should be proud and it should assist individuals such as the one identified by Mr Lowey as getting a reasonable income into her household, and I do not think we should be ashamed of that. I think we should be proud of it.

I certainly accept that on this Island of ours there are many businesses and concerns, probably the larger employers, who are connected with UK firms and their employees have wage agreements with the employers which will offer them a similar rate of pay to that which they get across the water. There are many others who are not employed by firms who are connected to UK firms who have similar wage agreements, and the Isle of Man Government employees are one. There will be a knock-on effect of raising incomes in the United Kingdom, if that is what happens with this minimum wage legislation, into the Isle of Man. Now, I do not believe we should ignore that and we should not suggest we are being dragged along by the United Kingdom. Those are wage agreements which were up and running and they have been agreed by employer and employee. There will be an effect.

Now, as regards the principle of the introduction of a statutory minimum wage, and that is what we were talking about on the committee, the principle, and it is all right the hon. member

for Garff suggesting we should have been looking at the rate of a minimum wage, but there was a principle to agree before we got to that, and, yes, we gave a cursory glance at possible rates, but we really were concentrating on the principle, and I think that that was right. I have absolutely no doubt in my mind that there are more disadvantages than advantages with the introduction of a statutory minimum wage into this Isle of Man at this time. I have absolutely no doubt about that in my mind.

There is again an assumption with a statutory minimum wage that all employers and all businesses have a similar ability to pay their employees. I find that one difficult to accept. If we look at our finance sector, they have what would appear to be reasonable margins and they are, God bless them, highly profitable, and I hope they continue that way. If we look at many of our smaller locally based industries, if you like, the retailers, some of the smaller hotels, they are far from profitable and do not have the same ability to pay. They are the ones that are going to struggle, not the employers of the majority. It will be the 30 per cent that employ more than the five that find the imposition of a minimum wage acceptable and easy. Do we want to drift away from manual business, from retailing, from other things, even more than we have had in the past into that finance sector? Because I believe that will be one of the results of the introduction of a minimum wage.

I do believe it will militate against the smaller firms. There will be more bureaucracy, and we can try and minimise it and should try and minimise it. The hon. member Mr Lowey held up Jersey as bureaucratic and we are told, and I do not know how true it is but it is suggested, that that will cost them £400,000 in Jersey, £400,000, and they are putting the proposal on the back burner.

Mr Lowey: No, they are not.

Sir Miles Walker: Well, that is the press statement and I can know no more than that. But certainly we should set out to reduce the bureaucracy. Where will the bureaucracy weigh heaviest? It will be with the small firms. The large firms with the computerised payrolls and all the rest of it will have little problem. The small firms, those that do the wages on the kitchen table and all of that, are the ones that will have trouble. I do not believe we should set up a system which will militate against smaller firms, smaller businesses and less profitable businesses.

It was suggested in the evidence given to us, and I have to say I find it hard to believe, that differentials will not be pursued. If we raise the level of the lower paid with a statutory minimum wage I cannot accept that those in place above those that receive the minimum wage will not want to keep their differentials. They ought to want to keep them anyway because they are ones with higher output, they are probably ones that accept greater responsibility. They deserve a greater differential. We should not ignore it. We can look at the bottom level and say, 'Ah well, £3.60 - anybody can afford to pay that', but it does have an impact higher up the scale, and I do not think that we should ignore that. If it does not we would have a job to persuade those within our workforce to take on greater responsibility.

I think the way to increase those minimum levels of pay that we have in our community, and I know there are low-paid people in our community and I do not pretend otherwise, but the way to increase their level of income is to increase their output, to increase the profitability of those people they work for, and that is the way to have a real effect. I do believe that there will

be a bureaucratic nightmare of enforcement, not the bureaucracy of the firms that will have to implement this legislation, but there will be an enforcement bureaucracy, and can we afford that? Presumably the minimum wage legislation, if it is introduced or perhaps when if the tenor of this debate is the way forward, will imply to all employers. There should not be exemptions. It should apply to government and yet we know there would be nobody employed by government below the threshold. Certainly it has been suggested in the United Kingdom. But we are going to have to implement a bureaucracy to prove that that is the case. The DHSS with thousands of employees - do we really believe that they should be employing yet another clerk to do the bureaucratic bit for that department, rather than a nurse or a surgeon?

Now, hon. members can shrug their shoulders and say, 'Well, this won't happen', but it does happen, hon. members, and if you have responsible people in responsible positions who are charged with that responsibility they will say, 'We need more staff. We need more clerical workers.' Is it the best use of resources? And that also applies, I would suggest, in the private sector.

We have got two amendments in front of us, one from the Chief Minister and when he moved this amendment, and I think I was listening quite carefully to what he said, he did not say that the Council of Ministers accepted the principle of the introduction of a minimum wage. But if I read the amendment as proposed by the Chief Minister it certainly suggests that that is the case. He says that the issue should be referred to the Council of Ministers with a view to proposals being brought forward in relation to a statutory minimum wage. Does that mean that all the members of the Council of Ministers support the introduction of a statutory minimum wage? That is what it says to me, but I think the Chief Minister was cautious in making that statement when he was moving the amendment. But I would suggest to the Chief Minister and the Council of Ministers that there are no winners in this one and whoever is charged with setting that level will not get it right. Look at the proposals so far: from the Trades Council, about £6 an hour. From the Transport and General Workers' Union, £4, £4.75, as is being talked about in the UK - this is before they came out with a level - are appallingly low and they are not in support of legislative poverty - their words, not mine. So we are certainly talking about something over £4.75 for the TG. Mr Karran - at least £5 in his evidence. Mr Lowey - at least £4.50. The Employers' Side of Whitley Council suggest £6.30, and so it goes on. What will happen, I would suggest, is, as the hon. member the Treasury minister suggested, Mr Corkill, that the level is set so low that it really does not benefit anybody and it does not harm anybody either.

The hon. member Mr Rodan said in his contribution, 'That will be the political trick.' I think those were the words, 'a political trick'. I hope we are not here for political tricks. We are here to be honest and to say what we believe.

The two hon. members who are sitting in front of me, Mr Henderson and Mr Houghton, two or three weeks ago in the other place, in the House of Keys, were concerned about the increase in bureaucracy on businesses with the Bill that I had the pleasure to produce on behalf of the Treasury. Today Mr Henderson is on his feet supporting this legislation, which I would suggest to him will be much, much more bureaucratic than anything I was suggesting and in fact I made the case with the Statistics Bill that there would be less bureaucracy after its introduction than there is at the moment because fewer people will have to fill in forms. It has to be the case. Bureaucracy will run rampant with this one.

The United Kingdom are concerned about it. The United Kingdom say that they are not going to pursue the minimum wage in the same way as they were going to a few months ago. Jersey are suggesting that is a concern. I think we would do well, this Court could do well, to follow the recommendations of this report. Let us not hurry. Let us just pick out the best of what goes on around us. We have got time.

We suggest a case has not been made to agree the principle. We suggest that in two years' time, after it has been introduced into the United Kingdom, after it has had time to take effect, after it has had time for that knock-on effect into the Isle of Man, which I accept is on, after maybe Jersey has played with it, then is the time for us to look at it and we recommend that the Council of Ministers should do that in a couple of years. But, hon. members, if you are not comfortable with accepting the principle today, do not support either of the amendments, support the report as it is written.

I have enjoyed working on this committee. I have found it interesting. I enjoyed working with my colleagues. It was clear from early on that we were not going to come out with a clear view that we could all get to grips with it but we did try. But there is a principle there that was too precious for me to give on.

Mr Gilbey: Mr President, I totally agree with the very wise words just spoken by the hon. previous Chief Minister, Sir Miles Walker, and I also agree with the opening speech by the chairman of the committee. I was, however, extremely surprised by the speech of the present hon. Chief Minister which seems quite contradictory to some of the things he has been saying in other places recently. As I understood it he said 'Most countries have one' - referring to a minimum wage - 'We cannot afford to be out of step.' I would ask why we cannot afford to be out of step because are we going to follow everything other countries do? Only this very morning the same Chief Minister was rightly assuring us, in answer to questions from the hon. member for Michael, that we would not follow various EU tax proposals, and he has assured us similarly in other places. Why is there more reason to follow this proposal just because other countries may deem it appropriate for them than to follow their tax proposals? I think there is no argument that he has put forward at all and indeed it must be a dangerous thing to say because if he so keen to follow in this people will wonder how really keen he is to stand out against other things.

Mr Cannan: I will come to your rescue, Chief Minister.

Mr Downie: And whip these lads into shape!

Mr Gilbey: Now, when we come to the hon. member of the Council, Mr Waft, I totally agree with him that any particular minimum wage would affect different industries in different ways. Of course it would, and you cannot tell now how they are going to be affected and therefore we should know exactly what we are talking about before we vote for the principle.

The hon. member for Onchan, Mr Corkill, quite rightly pointed out the enormous bureaucracy that could be involved, but he said something that was far more important. He said we must not let our hearts rule our minds. Now, it is very easy to get up and think you will please a lot of your electorate or other people by saying that we should have a minimum wage, to talk about fairness, social justice. However, we should remember that it will hit a lot of the people who we think we are going to help, and Mr Rodan, the hon. member for Garff, said, 'How will it cost?' It will cost in a lot of these people's jobs because there is absolutely no

doubt at all that by increasing employers' wage bills and national insurance contributions the imposition of a minimum wage will lead to unemployment and its attendant implications for society and the economy.

Now, do not just think it is me saying this. Do not think it is the government economist saying it, though we do both say it. It was stated in the *Sunday Mail (Interjections)* - wait a minute - on January 19th 1997 by a Labour-appointed committee of top industrialists. They pleaded that Tony Blair's plans for a national minimum wage would destroy jobs. These were industrialists appointed by him to advise on this, and it is those most in need of jobs who will lose them, those whose abilities do not justify an employer paying the minimum wage for their work, and in fact it was very interesting that Mr Karran, the hon. member for Onchan, gave us a really very interesting example of this, how he employed someone, he wanted to pay them what he thought was a fair wage but he found that in fact their efforts were not worth that, and unfortunately there are a lot of people who, through various things that may not be their fault, as far as an employer is concerned are not worth being paid the minimum wage, and it is those people who will not get the minimum wage, and you cannot, whatever you may think, force employers to employ people who they do not think are justifying a wage, because of those employees' abilities and what they will do.

Then the next thing that this will undoubtedly lead to is a general increase in wage levels and inflation. As Sir Miles Walker has quite rightly pointed out, there are very few occasions indeed in which workers and particularly trade unions will accept a narrowing of their differentials, and I do not blame them. Why should someone less able than a certain other person catch up on the wage scale and the differential be reduced? In negotiations you may find that they will pay lip-service to the principle of closing differentials, but when you get to the facts of the case they will not and therefore it will not be just those at the bottom of the scale who get an increase, but those on the middle and top scales will expect proportionate increases to maintain their differentials.

I think finally one should point out that low pay, as surveys have shown, is not something that most people experience permanently. These surveys show that those who constitute the lowest, say, 20 per cent at one point in time are not the same as those who fill the same positions a number of years later, but rather income levels change with age, with acquisition of work experience and through job switching et cetera, and furthermore relatively low levels of pay are expected and indeed accepted over parts of an employee's working life, for instance during the first years of employment and periods of training et cetera, and therefore these are additional reasons for not bringing in a minimum wage, but I believe one of the main ones is that it could hit some of the very people who it is supposed to help and that instead of having jobs on low wages they may have no jobs at all.

Mr Cannan: This afternoon, Mr President, I had a slight dream that I was sitting up there in the gallery as an indigenous Manxman earning less than £4 an hour and looking down upon this Court here assembled and the representatives of the people on a minimum salary of £25,000 a year and I could not really believe what I was hearing. There is fairness and what what I am asking - and I will digress slightly by saying I will support the Chief Minister's amendment as amended by the member for Onchan - is that in this our own, our native, land surely to God we can look after the people at the bottom. We are not asking for cream every

day, we are just asking for a basic standard for those few unfortunate people, in our prosperity, who are falling below an accepted standard.

Now, I, while this has been on, have looked and asked around amongst those who perhaps are called at the bottom of the pay scale. Many are getting £5 an hour, £5.50, £6 an hour. They would like more but at least they are getting sufficient. But there are a few and even if there are only 10 people earning less than £4.50 an hour, then we should still have the £4.50. I do not know whether it is 100 or 200 or 10, but there should be a basket, a level below which people do not fall.

Then I hear that, Oh, the differentials will all want to be increased, right along - and the hon. member for Glenfaba has just said - right up to the top of the scale. Would we, because we gave those at the bottom this safety net, suddenly want our remuneration increased? Of course not. And would those who are earning substantial salaries want their differentials increased? No. This is a safety net that should be introduced.

Now, we have heard all these things as to why this should not happen and there is a set of people in government and amongst ourselves who say this must not happen and that must not happen and they have a sort of dead hand doom and gloom.

Now, I recall about 12 years ago when I first came to the Treasury and I found people earning £60, £70 a week who were paying income tax. There was a separate wife's allowance of a very small amount, and I wanted to make a fundamental change that raised the thresholds and put fully transferable income between husband and wife onto the taxation system, and there were a vast number of people who said, 'You can't do that. It'll damage the Island, it'll damage the economy. It's terrible. You can't take all these people out of tax. You can't lower tax to 15 per cent.' I listened to them all, I heard what they had to say and made my own decision. Twelve years later and two Treasury ministers later they have not reversed that decision, they have only improved on it, and what I said was it could not have been wrong then, so why all the doom and gloom?

Then we had, as we heard, redundancy payments: 'Oh, it's terrible. We can't be like England, we can't have redundancy payments.' And the same hon. member for Glenfaba then doom and gloom, as he is today, 'Oh, it'll damage things. Oh, it's terrible. Oh, woe, grind the faces of the poor, send them a bag of coal for Christmas and tell them how lucky they are.' By God, honestly, old Scrooge personified.

Mr Downie: Get your purse out, Walter!

Mr Cannan: When he is in a good mood it is two bags of logs. Have redundancy payments, contracts of employment, damaged the working people of the Isle of Man? Have they increased unemployment? Have they damaged government finances? You pick up your *Courier* on Thursday and you will see pages and pages and pages of jobs, and it is free, so that will not be problem to the member for Glenfaba. *(Laughter)*

The Isle of Man is doing exceptionally well and the least we can do, in all seriousness, is just put that net there to stop those few unfortunate people who, for circumstances probably beyond their control, thought it may not necessarily be so, at least can come home and bring home a respectable, in those terms, wage or income.

I have said in this Court before there is no pride in poverty, and one of the things that shattered me or shook me when I first came here in about 1983 or 1984 was the Chairman of the Industry Board, looking for an industrial set-up in the Isle of Man, who boasted the one thing we can do to attract employers is that we pay low wages, and I got up and I objected. The Manx people are not here to be paid low wages. They are not second-class citizens in their own country, and in our prosperity the least we can do is to protect those few who have the misfortune. I am glad I woke from my dream because the guy up there, who if he was there in spirit looking down here, would be very, very disappointed today to hear some of the speeches, but then perhaps some of them are not unexpected and running true to form.

I will be supporting the Chief Minister's amendment, but I ask for it to come back here in October. It cannot go on for ever by promising, promising, promising. Those that can do and get on with it, those that cannot, promise and promise and do nothing.

The President: May I call on the mover to reply?

Members: Agreed.

The President: Thank you. The hon. member for Rushen, Mrs Crowe.

Mrs Crowe: You quite took me by surprise. Thank you, Mr President. I thought it would be an interesting debate, as in fact we have had many interesting debates in the two years that we have sat, and as I said in my opening comments, we did not consider any of the evidence lightly and we all diligently worked to try and produce a report together, but unfortunately we did have to have dissent and it might have been expected from an early time.

The hon. member for Middle, Mr North, made a valid point over the national insurance contributions, but the committee did not digress to look at this issue. We did agree it needed to be looked at, but it was not part of the remit of the committee as it stood.

The hon. member of the Council, Mr Waft - full employment is an ideal time to progress many issues but at what cost? That was what the committee was trying to establish. We recognised that full employment was an ideal time to progress many issues, but we were looking at the cost of the implementation of many issues, and that particular issue we were addressing was the introduction of a minimum wage.

Now, the hon. member for North Douglas, Mr Henderson, thanks the committee for its diligence, and I am pleased that it has been recognised. No unions brought us any evidence that anyone was being paid below the minimum wage. We had mentions of £5.20 an hour, £6.30 an hour, £4.75 an hour, but none of the union representatives brought us any evidence of low pay. That was what we were looking for and we did not get it.

He says there would be a problem enforcing the minimum wage. There would be no problem at all enforcing the minimum wage. It would be quite easily done, but at what cost? We already know that in Jersey it is going to cost the taxpayer £400,000. We just felt that those funds could be better targeted.

The hon. member for Onchan, Mr Karran - a paid-up member of the union or does the union pay him? I do not know, I got that wrong, I think, but still. He suggested £5 an hour. But we already had the lack of business acumen when someone offered to garden for £3.60 and he wanted to up the rate immediately, before he even saw whether he was capable, to £5 an hour. However, apart from that I did think it was demeaning to refer to members of the retail

trade as 'the poor girl who sits on the other side of the counter'. The retail trade has progressed a great deal, Mr Karran, in recent years. (*Mr Cretney interjecting*) Retail staff have plenty of opportunity for advancement, great career opportunities and excellent pay. Four pounds seventy nine an hour as a starting rate in the retail industry, I would suggest, is quite good pay.

Could I just refer back to Mr Henderson? I am sorry about that, Mr President. You rather took me by surprise as I was collating my notes. Mr Henderson said that we did not consider our small businesses as old chestnuts. What the hon. member did not seem to recognise is that there will be a cost to implementation, and the majority of the committee felt that the cost could be better targeted to help the poor paid rather than by forcing the closure of these old chestnuts that he referred to and causing unemployment.

Mr Waft's contribution - a most valuable member of the committee.

Mr Delaney: I am glad you are on the in, George!

Mr Lowey: But you did not get offered a job!

Mrs Crowe: His wise words should be heeded. There could be a danger to our businesses if we implement a statutory minimum wage without the correct figures on which to set a level, and as he rightly stated, the averages that we had to evaluate were not sufficient evidence to implement a system that may damage business on the Island, and he felt that we must not take any action that could damage the people that all the committee wished to help and that was the low paid in our society.

The hon. member for Ramsey, Mr Singer, was right to say that small employers could have increased overheads to the extent that they would reduce the number of staff that they employed. Therefore the statutory minimum wage could have a negative effect on business and I keep referring to could, may, might: we just do not know. That was our problem. We did not have sufficient facts.

The hon. member of the Council, Mr Kniveton - if Mr Kniveton knew of evidence of bad employers and disadvantaged workers, why did he not put pen to paper and present that evidence to the committee? Because we did not have that evidence.

Mr Karran: You should have gone and looked for it.

Mrs Crowe: Once again the committee considered all the evidence it received and we just did not have any evidence that you say that you had. It is unfortunate that you did not pass that evidence on to us.

Once again Mr Kniveton felt that the enforcement of a minimum wage would be difficult. But it would not be difficult. No-one suggested the enforcement would be difficult. What we said was it was the cost of the imposition of a meaningless minimum wage which we felt could be better spent.

Mr Kniveton also quoted Mr Lowey's memorandum of dissent, and I would just like to clear up one point, please, if I might. At no time did any member of the committee suggest that a minimum wage was a luxury.

I thank the hon. member for Onchan, Mr Corkill, for expanding upon the report and once again stress that it was the easy option for us to say, 'Yes, let's go for the principle of a

minimum wage. We'll introduce it at £3 an hour which is what it's now gone down to in the UK for anyone under the age of 22. It'll cost the taxpayer a fortune to implement, but it doesn't really matter. We've all agreed the principle.' That was the easy option. We spent two years -

Mr Cannan: Two years!

Mrs Crowe: - trying to go through all the evidence that we had collated, sent to us, reams of paper from fiscal studies, reams of paper from all other sources, to see if that was the correct way to go for the Isle of Man, and when I mentioned in my opening remarks the unique nature of the Isle of Man, that was a comment made to us about the unique make-up of the business sector of the Isle of Man with such a high proportion of businesses that employed five people or less.

The hon. member for West Douglas, Mr Downie, was talking about the pay differentials. We have got a Whitley Council basic grade I pay level for a similar job, the water department was a class 4 payment for the similar job. The hon. member for Glenfaba has already gone through that. Pay differentials would come into the scenario. It could not be discarded.

Mr Downie asked questions, but we did not have the answer to those questions. The reason that we could not give you those answers was because we did not have sufficient evidence.

You mentioned apprentices and trainees. I can only refer back to the UK legislation because that is one that is now in place. The UK legislation will exempt all apprentices and will exempt all trainees up until the age of 26, so it would not help the apprentices to introduce a minimum wage.

Now, I did like the idea of an annual review because there would not be the bureaucratic cost of implementation, but we were not looking at that way of introducing a minimum wage. Maybe that would have been a better way of looking at it, just to have an annual review every year and pick a figure out of the air. It may well have been the way.

Now, the hon. member for East Douglas, Mrs Cannell, was disappointed at our recommendation. The jobseeker's allowance protection, which we felt was most helpful, was to help those people seeking employment not having to take a job at under a set rate and also having good cause to refuse a job if it did not meet that minimum wage rate. We thought that that was protecting all those people looking for jobs.

Now, when she quoted the person who had been working for 20 years for the same employer at a poorly paid rate, I do not know if that lady would be helped in any way by the introduction of a statutory minimum wage. We know that there are hundreds of jobs available in the Isle of Man at decent rates of pay, and I think if the hon. member had seen the detailed regulation enforcement document that we saw she would have been horrified, being a small employer, having to implement all the recommendations in that report.

Once again the hon. member for East Douglas also said that she had evidence of low-paid workers. Once again I say to members of Tynwald if there is a select committee sitting, please write, give us your evidence. We were sitting for long enough. We even presented an interim report but I think we had three letters from MHKs.

As for the family situation she was talking about with low-paid workers, now that is where the family income supplement would be of far greater benefit than a minimum wage.

The member of the Council, Mr Lowey - I must say, like my hon. colleague Sir Miles, I did enjoy this committee and it was hard work and I do have a two-drawer filing cabinet full of all the papers we received, and all the members of the committee will tell you this, that we had -

Mr Cretney: Did you offer him the job? *(Laughter)*

Mrs Crowe: Well, I do not actually remember the offer of services, but I am sure I will try thinking about it.

Mr Lowey: And the rate! *(Laughter)*

Mrs Crowe: Mr Lowey disagreed with the evidence presented and quoted from his memorandum of dissent. But it was Labour Party policy to introduce a statutory minimum wage, and we respected Mr Lowey's stance on this subject. He criticises the fact that we referred to the Jersey report, but we have to take advantage of a report that was commissioned at a cost of £65,000 by experts.

Mr Lowey: And they recommended a minimum wage.

The President: Hon. member, will you allow her to proceed in peace.

Mrs Crowe: Well, they have recommended a minimum wage, Mr Lowey, but I have to tell you today, and I will quote from it now sooner rather than later. 'We are talking about the social security cost to The States and Terry le Sueur has cast doubt on whether a minimum wage will ever become a reality because of the cost of introducing it. He says that the Finance and Economics Committee are asking for the introduction of the minimum wage rate' - of £3.70 an hour, I might add - 'on 1st January next year to be deferred until the financial implications can be considered.' At present those financial implications are costed at £400,000, and I think the majority of the committee felt that we would rather hand £400,000, if that was the cost of implementation, to someone who might make better use of it to target the poorly paid.

I must make mention of redundancy because I think at perhaps not every meeting but almost every other meeting I got a lecture on redundancy payments and how they were introduced at a time of high employment and how they have never affected anyone. Well, I can tell you, Mr Lowey, that one shop in Port Erin had to close because they could not afford to pay redundancy payments.

Mr Corkill: The harbourmaster.

Mrs Crowe: But I would also just like to make mention - and I thought I might have had a cup of tea and a moment to think about this before I put it down - but John Monks, who I think is the head of the TUC in the UK, commented at a dinner at Salford University that in an area of high employment a minimum wage was not necessary.

The hon. member for Garff, Mr Rodan, complained that we did not spend time testing the evidence. Now, even my writer of the memorandum of dissent will tell you that the one thing we did spend time doing was testing and evaluating the evidence. We have looked at every country in the world. We have looked at France. The introduction of a minimum wage in France had a vast effect on unemployment. We looked at Germany. In Germany every district seems to have a different rate for every worker.

Mr Corkill: Different skills.

Mrs Crowe: All the different skills are all represented in a different way. Every country has an entirely different system of implementation.

You mentioned, Mr Rodan, the Institute for Fiscal Studies. We were provided with enough evidence from the Institute for Fiscal Studies that it was almost unbelievable really. I have staggered into meetings there almost thinking I would bring a wheelie trolley to bring my papers to the meetings.

Mr Cretney: You might as well have brought a wheelie bin.

Mrs Crowe: Yes, it might as well have been. Yes, you are right. I quoted in my comments in the beginning that the main beneficiary of a minimum wage would be government, and I think it was the Institute for Fiscal Studies that identified this. Who would want to pay our Treasury any more?

Mr Downie: Who would want to pay them at all?

Mrs Crowe: We had advice from economic advisers as to the damage of the introduction of a minimum wage at the various levels that we could set. We looked at that evidence but of course the economists, Mr Carse and Mr Caley, had to say it was intuitive evidence because we do not have the statistics. We have not got records from employers of the rates of pay that they are paying. But we were assured that there would be damage to employment at the introduction of a minimum wage at £4.50. The levels varied and got higher as the wage rate was increased.

Mr Rodan also mentioned the cost factors when I mentioned the compliance cost. Now, I quote from the document, and it is unfortunate that we have had this reversal in the UK only within days of this debate, but I refer to the document here, the compliance cost estimates, and it states quite clearly, 'The recurring costs are the continuing additional cost resulting from the regulations. The total annual costs of complying with the draft regulations are estimated at around £2.5 billion.' Now, that is quite clear in the document, and I think all the members of the committee have only just had an opportunity to read it. It was faxed to us, I think, late last night. All these things have to be taken into consideration.

Mr Rodan also mentioned the fact again, why should we compare ourselves with Jersey? But there was an accurate report done for Jersey, as I say, at great cost by management consultants, so we utilised that report. Then again, as I have just stated to Mr Lowey, we now find on 10th February the whole of that has been reversed while the Finance and economics committee are going to defer the implementation of the minimum wage.

Now, my colleague the hon. Sir Miles Walker spoke with great compassion. Yes, we have all discussed at the committee many times the many things which he spoke about, and the main point that came out of committee is is the statutory minimum wage the best way to help the unfortunate people that may be being low paid? The former Chief Minister is convinced that the imposition of a statutory minimum wage is not the best way forward at this time. Do we want to politicise wages? Do we want the bureaucratic nightmare of an enforcement of minimum wage legislation? He sincerely believes that small businesses will be damaged, and without evidence to suggest otherwise I would tend to agree with him.

Mr Lowey, the hon. member of the Council, suggested when he was responding that, yes, we could set a minimum wage and we would set our own regulations. But it would be

dishonest, surely, to say we will just have a minimum wage and we will do away with the regulation and enforcement.

The hon. member for Rushen quoted the figures we have been asked to look at: £4.47, £5, £6.80. Once again it was the level of the introduction of a statutory minimum wage that would cause the problems. A £3 per hour level to be introduced in the Isle of Man - is that or is that not a meaningless figure? I suggest it might be, but we do not know, but the cost of implementing and enforcing that figure would be enormous.

The hon. member for Glenfaba, Mr Philby - Mr Gilbey - (*Laughter*)

Mr Delaney: You were right the first time! (*Interjections and laughter*) Kim Philby!

Mr Quine: Alias Ebenezer! (*Laughter*)

Mr Delaney: The gang of four! He's the fourth man! (*Laughter*)

Mrs Crowe: I am sorry, Mr Gilbey. I think it was just I was so stunned that someone agreed with the report. But I would like to thank him for his support and the comments that he made. The wage differentials that he referred to are really most important.

Now, the hon. member for Michael, Mr Cannan - we in the committee, all of us, spent two years trying to address the very person he alluded to in the gallery. We too wanted to provide a safety net, (*Mr Downie interjecting*) but the majority of the committee were not convinced that that safety net could be provided by the introduction of a statutory minimum wage. There are other ways in which government can help the low paid. We were not convinced that the introduction of a statutory minimum wage, with the imposition to business and the bureaucratic cost, would be the way to help those people.

We have spent many, many hours discussing the principle of the introduction of a minimum wage and all its ramifications. I would like to suggest to you that hon. members should support the final report of the select committee. We did not consider the findings in here lightly. We were very diligent in considering all the evidence that was presented to us and the recommendations that we proposed we felt had due regard to the national interests of the Isle of Man. Thank you, Mr President.

The President: Hon. members, the resolution is set out at item 23 on the order paper. To that resolution I have two amendments, one in the name of the Chief Minister, the second in the name of the hon. member for Onchan, Mr Karran. I propose to put those amendments in the order they were tabled, the Chief Minister's amendment first, the hon. Mr Karran's amendment to follow.

Will those in favour of the amendment in the name of the Chief Minister standing part of the resolution please say aye; against, no. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys -

For: Messrs Cannan, Quine, Rodan, North, Brown, Houghton, Henderson, Cretney, Duggan, Braidwood, Mrs Cannell, Messrs Shimmin, Downie, Mrs Hannan, Messrs Singer, Bell, Karran, Corkill, Cannell, Gelling and the Speaker - 21

Against: Mr Gilbey, Sir Miles Walker and Mrs Crowe - 3

The Speaker: Mr President, the amendment carries in the House, 21 votes cast for, 3 votes cast against, sir.

In the Council -

For: The Lord Bishop, Messrs Lowey, Waft, Dr Mann, Messrs Kniveton, Radcliffe, Delaney and Crowe - 8

Against: None

The President: In the Council 8 votes have been cast in favour of the amendment and no votes against. I declare the amendment carried.

Now, the resolution as amended becomes the substantive motion and to that I will put the amendment in the name of the hon. member for Onchan. Will those in favour of the hon. member's amendment please say aye; against, no. The noes have it.

A division was called for and voting resulted as follows:

In the Keys -

For: Messrs Cannan, Quine, Rodan, Brown, Houghton, Henderson, Cretney, Duggan, Braidwood, Mrs Cannell, Messrs Shimmin, Downie, Mrs Hannan, Messrs Singer, Bell, Karran, Cannell, Gelling and the Speaker - 19

Against: Messrs Gilbey, North, Sir Miles Walker, Mrs Crowe and Mr Corkill - 5

The Speaker: Mr President, again the motion carries in the House with 19 votes cast for, 5 votes cast against.

In the Council -

For: The Lord Bishop, Messrs Lowey, Waft, Dr Mann, Messrs Kniveton, Radcliffe, Delaney and Crowe - 8

Against: None

The President: In the Council 8 votes have been cast in favour of the amendment and no votes against. I declare the amendment carried.

I will now put the resolution as amended. Will those in favour of the resolution as amended please say aye; against, no. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys -

For: Messrs Cannan, Quine, Rodan, North, Brown, Houghton, Henderson, Cretney, Duggan, Braidwood, Mrs Cannell, Messrs Shimmin, Downie, Mrs Hannan, Messrs Singer, Bell, Karran, Cannell, Corkill, Gelling and the Speaker - 21

Against: Mr Gilbey, Sir Miles Walker and Mrs Crowe - 3

The Speaker: The motion carries in the House, Mr President, 21 votes cast for, 3 votes against.

In the Council -

For: The Lord Bishop, Messrs Lowey, Waft, Dr Mann, Messrs Kniveton, Radcliffe, Delaney and Crowe - 8

Against: None

The President: In the Council, hon. members, 8 votes have been cast in favour of the motion and no votes against. I declare the motion carried.

Now, hon. members, time, I think, for consultation. Standing orders require me to assess your feelings about carrying on at approximately 6 o'clock. Now, it has been a long afternoon. What would you wish to do, have a cup of tea which is waiting below and finish the agenda?

Members: Agreed.

The President: Agreed. So in that case the Court will now take a tea break. We will resume at 6.30 by the Court clock and finish off the remaining three items. Thank you very much.

The Court adjourned at 6.08 p.m.

Isle of Man Steam Packet Company – Interim Report of the Select Committee Received

The President: Hon. members, we turn now to item 24 on the order paper and I call upon the hon. member of the Council, Mr Waft.

Mr Waft: Thank you, Mr President. I rise to move the motion tabled in my name:

That the Interim Report of the Select Committee on the Isle of Man Steam Packet Company be received.

The committee was appointed at the sitting last October with the requirement that it should report by this sitting. As we indicate in paragraph 3.1 of our interim report, the terms of reference of the committee were unusual in that they include both (1) the traditional scrutiny function of a parliamentary committee in that we were required to identify the causes of concern regarding the frequency and quality of passenger services provided to and from the Island by the Isle of Man Steam Packet Company and also (2) to undertake what might be seen by many as a government function, namely to enter into discussions with the company on how the causes of concern may be addressed.

It will be apparent from our interim report that we have received a huge amount of written evidence which reveals quite a large range of concerns. We obviously have to evaluate these concerns before we can enter into any meaningful discussion with the company on how these may be addressed. We have, however, taken initial oral evidence from the chairman and the managing director of the Steam Packet. That said, the matters which we have been asked to address are of some operational complexity and some have political and legal dimensions.

We appreciate that the committee was appointed to examine matters of substantial public concern and we will seek to table our final report as soon as is consistent with a comprehensive analysis of public concerns arising from the passenger services of the company and reaching an effective and practical means of addressing these concerns. I beg to move.

Mr Gelling: I beg to second, Mr President.

Members: Agreed.

The President: I will put the resolution then, hon. members, set out at item 24 on the order paper. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Police Substations and Divisional Stations – Amended Motion Carried

The President: Item 25, the hon. member for Douglas North, Mr Houghton.

Mr Houghton: Thank you, Mr President. I beg to move:

That Tynwald is of the opinion that police substations which have been closed should be reopened and those presently operational should remain so, and that from 8.00 a.m. to midnight, all such stations should have police officers operating from them.

I rise to move this motion for a number of reasons which I shall outline in my speech. In 1978 when I joined the special constabulary there were 148 police officers in the establishment of the regular constabulary. The constabulary is split generally into two sections i.e. uniformed officers and CID or plainclothes officers. That was the situation two decades ago, as indeed it is of course today.

There has been an increase of establishment since 1978 by some 70 officers which now stands at 218.

In past years the night section would patrol the main towns of the Island on foot, looking out for criminals, and every shop or business premise door was checked every night without fail. In the rural districts officers would know the residents and would be in a position to deter crime on many occasions and they certainly would have had a good idea who was responsible if a crime, for example at that time known as breaking and entering and larceny, had been committed. This was certainly the case in Laxey where I grew up. I remember on one occasion in Laxey there was a spate of break-ins and arson attacks around the village. The local bobby was on holiday at the time and the CID were in the village throwing their weight around. People were becoming worried as this spate continued and the CID could not find the culprits. It was only when the local PC returned from holiday and to duty he learned about the serious crimes. He got straight into his police vehicle and drove to the culprit's home and arrested him. The culprit knew his days would be numbered once the local PC returned to the Island. The culprit had a lot of respect for the local PC and would not speak to any other officer at his interview. The scenario I have painted does not happen today.

The Chairman and members of the Office of Fair Trading are vigorously pursuing legislation to deal with cowboy builders. This legislation is now in draft and is urgently required to bring to a halt situations whereby a person can rip off old people and others to the tune of many thousands of pounds. This problem has been around for a very long time. However, I recall the days when the community bobby would use the bluff act to get shut of these cowboys away from the front doors of the vulnerable.

It was not just cowboy builders in the past who pestered and ripped vulnerable people off, though. In the 1970s and possibly the 1960s a particular problem was evident with peddlers and chapmen, chapmen in particular. In the mid-1970s a police officer by the name of the late Joe Cook was the rural PC based in Kirk Michael. I recall Mr Cook telling me that he would be tipped off about the movement of chapmen in the village. He would locate the vehicle the chapmen were using, usually parked outside the home of a vulnerable person. The

PC would be dressed in full uniform and would put on his big helmet and knock on the front door of the house. The first thing he would say to the occupant of the house, who of course he knew, was, 'Have you got the kettle on, missus?' The PC would stand in the living room and be rather amused to see just how quickly the chapman could make an excuse and a sharp exit. The reassurance that a police officer who was interested in the wellbeing, particularly of the elderly and those who were vulnerable, was policing at its best.

Turning to police stations, I should like to read out a list of those for the interest of members. In addition, of course, to police headquarters there are the following divisional police stations located at Ramsey, Onchan, Pulrose, Peel and Castletown.

This hon. Court has already approved the Department of Home Affairs plans to construct a new southern divisional headquarters in Port Erin to replace the Dickensian police station at Castletown. I strongly believe that when the new headquarters is opened Castletown will of course be downgraded to a substation and will almost certainly be closed in the future. Port Erin substation had actually been closed down many years ago. That now leaves the other substations dotted around the Island as follows: Jurby, Andreas, Kirk Michael, Laxey, Willaston, Ballasalla, Port St Mary, St John's and Crosby. Out of these Jurby, Willaston, St John's and Crosby have been closed. With the exception of Laxey all the others are still open whereby officers work out of their respective stations.

Turning to Laxey station, this has had a chequered history of continuity. Laxey police station is temporarily open due to an operational police officer living and working from this station. The public in Laxey are confused over this because of the regular breaks in continuity. Not so long ago, in addition to the higher number of uniformed police officers on beats and based throughout the Island at those previously mentioned police stations, there were officers, again in uniform, who also attended all court sittings as the duty officer each day, and members will remember also officers on point duty around the town of Douglas, usually during lunchtimes.

So I beg to ask the question of the whereabouts of all of our police today. Indeed where are all those additional police officers who have been taken on extra through the years? The answer is they have been posted to a number of CID-based empires. Even though our force has grown by 70 officers in the last 20 years, there are significantly less officers in uniform than ever before.

At around 1980 there were about 10 to 12 plainclothes officers in the CID. From a written answer from the hon. minister recently I lost count of the number of plainclothes officers after getting up to 51. So what are all these officers doing? Who knows?

I have to say that I am indeed satisfied with the performance of many officers in CID-based divisions. However, let us take a look at the fraud squad for instance. For years its establishment stood at 11 officers. I now see in my written answer that there are currently eight. May I ask any hon. member if they can state from memory when they last heard of a successful prosecution from officers of the fraud squad? It is true to say that officers of this squad undertake many enquiries on behalf of other forces, but do they investigate any of their own? The only thing I know is that they have all gone home at 5 o'clock at night.

This comparison cannot be made, however, of the drug squad. You read about cases of successful drugs prosecutions every week in your newspaper. There are a number of officers

both in plain clothes and uniform hiding in offices in police headquarters. I would be more than willing to assist the hon. minister to weed these people out and have them put in uniform to do a proper job of visible policing to the reassurance of our public, if he so wishes.

There is a crime management unit consisting of four officers doing the job of one officer when I was in charge of the special constabulary. The brief of the crime management unit is to try and plot where crimes have taken place and build a pattern to try and find a culprit. So why have a CID because that is what their job is?

Crimes in rural areas used to be investigated by the rural police officer based in a police substation. As I have already stated earlier, the rural man knew where to look for those culprits.

I should like to address some of those comments made by the hon. minister in his replies to my questions in another place but before I do I would like to give the minister a pat on the back for a number of achievements he has made (**Members:** Hear, hear.) - and they are achievements that he has made - during his rather short term of office. (**Mr Quine:** Hear, hear.) He has brought forward the new southern divisional headquarters, the breathalyser, the Police Powers and Procedures Act, which has brought policing forward enormously, to his credit. The extra sergeants he required for custody duty have been taken on as an additional establishment to the force rather than taking further men off the street.

The hon. minister does, however, talk of a modern force and modern policing. I have no problem with a modern force with up-to-the-minute technology. However, his modern policing only compares with the way other forces are going, and this certainly does not stand up.

There is an attitude to centralisation of policing in the minds of senior officers to be implemented in the near future. Forces in the UK have done this and have failed miserably, so much so that they are reorganising back now into smaller divisions. Centralised policing would be a retrograde step, but what on earth is the reason for this thinking? Well, I have the answer for the minister. The senior management of the force has always been made up of CID-orientated people. These very same people, save for a very short period of service, have never worked in uniformed divisions and they do not have the balance of knowledge to take the decisions that they do. It is the very same imbalance that all ranks of the CID are strongly fortified, with those uniformed divisions losing out every time.

When the hon. minister states that to open police stations police officers would be taken off the streets I would offer two comments. The first is I do not seek today to have police working in police stations, only to be based there and working out of them, and also, why does he or his chief constable have to take officers off the streets every time something happens? Why not deplete the massive ranks of the CID divisions?

There is another situation whereby the public is receiving a raw deal from the constabulary, that is, Douglas division. At present there are anything up to 70 per cent of uniformed police officers in Douglas division with less than three years' service, together with a similar percentage of sergeants who have less than two years' service in that rank.

I was told the other day that a rookie PC with about 12 months' service in the police was showing another rookie, who has just come back from training school, around the streets.

Now, just what is going on here? Where are all the tutor constables who used to teach the rookies?

Another instance: the Douglas community beat officers who are based at the Cop Shop do not actually go out on the beat. The traffic department officers, and some of them are of the highest calibre, are getting more involved with crime, so much so that they only reported about a hundred people for the whole of last year for speeding. In previous years that number would be recorded in one day during TT week.

It is widely believed in the police that because there are fewer radar checks done a corresponding increase in road traffic accidents is occurring. How much extra stress and burden does this have on other services such as the hospital et cetera? We are all aware of a growing number of serious road accidents, usually due to excessive speeding. Radar checks of course can also be undertaken by rural officers throughout the Island.

Now, returning to the CID, can any hon. member agree that they are value for money when uniformed officers are dealing with about 89 per cent of crime? Police patrols of Douglas, Onchan and Farmhill areas on some weekday nights have fallen on the shoulders of sometimes as little as two officers, which is an absolute disgrace. If the force was a business it would have gone to the wall many years ago.

I could go on and on. I have given a number of examples where I believe the focus on the policing of this Island has gone astray. I do not hold the minister responsible for this and indeed he is to be commended for what he has done to date. However, I now appeal to hon. members to vote for my motion. If approved, it will have a good effect on police morale and will benefit the public enormously who themselves pay for the service through their taxes.

A vote for this motion is a vote for visible law and order on our streets. A greater number of uniformed officers, not necessarily a larger establishment, but a thinning down of CID divisions is required and if undertaken will improve the grossly poor position on our streets and improve the situation in our communities which otherwise are in threat of collapse. I beg to move.

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

Mr Bell: Mr President, it is only a short number of years ago that John Major was quoted as having his vision of what England really meant as being warm beer, the click of cricket balls on willow on village greens, and elderly spinsters driving through the mist to church on Sunday mornings for their service. It did not do very much for him but neither did that image do very much for that argument that we have just heard, I am afraid.

I have said previously and I think on a couple of occasions that we cannot police this Island by nostalgia, and that is precisely what we are being asked to do in the resolution that is put before us today. It is very well and we could all hark back to the '60s, to the '70s and say that life was so much better then, crime was minimal, we all knew our local bobby, he knew everyone in the community, and that is true, that is fine. But anyone who seriously believes that that pattern could be overlaid over the society in the Isle of Man that exists today at the turn of the century is living in a dream world, frankly. It does not exist any more. Manx society has changed beyond all recognition in the last 20 or 30 years. We have far more people here, we have the introduction of drugs into the Island, we have the breakdown of family life, we

have the breakdown of communities, which is happening all over the place, not just the Isle of Man. The whole society which we knew, most of us knew, when we were younger is disappearing fast, and it is absolutely foolish in the extreme to expect us to be able to reinvent that in terms of a policing pattern for the Island.

I am a bit confused really as to how to respond to this because frankly the presentation has got absolutely nothing to do with the resolution that is before us and it is difficult to equate the two.

The hon. member has gone to great pains to denigrate all the work which has been done by the CID, and I have to say I find that regrettable. The CID section has tried to respond to changing patterns in crime over the years and by and large have done a good job. Certainly that in no way underestimates the valuable contribution made by the front-line uniformed officers. They do a first-class job as well. But we need to recognise, as I say, the pattern of crime has changed, and the relationship between the CID and the uniformed officers has to change as well.

But I find it regrettable, and I have to say there is evidence even within the police force itself, that some elements of the police do not fully recognise what other arms of that service actually carry out, and this was quite noticeable in the last few months when a series of meetings have taken place within the police force when this debate actually came out on the floor and in fact there is a move within the police force at the moment to educate each other as to what the various divisions within the police actually carry out, and I suspect some of the sentiments perhaps expressed here tonight are a reflection of some of the debate which might be going on in the police force at the moment.

But if I can try and come back to the issue itself, I have said on a number of occasions when asked, and it has been in our policy documents, that the department strongly supports community policing. The Police Authority has strongly supported that line and the chief constable has been working very closely with us, certainly during my time in the department, to achieve just that. I am sure that that was the situation prior to my taking over as well. It is not something which has just happened.

We are looking at a number of ways of enhancing community policing. We have established the new community police office in the Cop Shop. We are looking at ways of expanding the number of dedicated community officers to work within the Douglas area and also of course in other parts of the Island.

We are obviously, though, constrained by two things, first of all resources, and I am pleased to say that thanks to support from Treasury this year we are able to introduce the biggest number of increased officers for quite some number of years. There will be another eight new officers appointed now following the budget. That is following on the five that we had as a result of the Police Powers and Procedures Bill a few months ago. Four of those will go straight into the drug squad, and the other four will be for general duties.

Now, I am probably jumping about on this, but I should also just comment on the point that the member made about the high number of young officers being seen on the street. That is true. It is because we have had a number of retirements, we have had extra people coming in to work, we have had some people leaving. I think it is a healthy sign that we are getting enthusiastic young people now coming into the police force. Certainly it is going to take time to

train them up, as applies in any job, any profession. It is going to take some time to train these officers. But I believe it bodes well for the future of the Isle of Man police force that we can attract so many young, enthusiastic members into their ranks. So I do not see that as a negative at all. I think that is a very positive move.

The other point which the hon. member has made which I think is quite wrong and really wants nailing right now is his allegation that the Isle of Man is moving towards centralised policing, that everything is focused on Douglas, I assume is what he is saying, and I would refute that totally. There is absolutely no evidence at all for that and if the hon. member has evidence I would be glad to hear it. Indeed, regarding quite a number of his allegations, if he has evidence for them I would be glad to hear, quite outside of this debate, if he would actually come along and tell me where he sees all these particular problems, particularly all these large numbers of CID officers who are hiding in their offices in police headquarters to avoid work. We are always looking for more officers and if he knows where they are hiding I would be glad to hear it.

But I would just continue. We are increasing the manpower resources this year, we have bids in for more officers next year. There is, I think probably on the agenda for next month, the Chief Minister's drugs strategy - it will either be next month or the month after, it is very shortly anyway - in which a number of new resources have been identified which would be appropriate for the police and we will be arguing for that. Equally a review has taken place of the fraud squad and that, if its recommendations are accepted, will lead to a radical shake-up of the fraud squad as well in the next few months, and that was an inquiry I initiated before the Edwards report ever saw the light of day, so it has been a happy coincidence of events. But both the drug squad and the fraud squad will have a radical shake-up within the next 12 months which will be beneficial to the good policing of the Island and the community as a whole.

As far as the idea, again, of centralised policing is concerned and the closing of police offices, I would just point out that we have, in the last 12 months or so, opened the cop shop in the Villa Marina Arcade which is serving as the headquarters for the Douglas community police and the specials. It will be manned by specials. Tynwald has agreed to build a new police station in Port Erin. That will be open this summer. We are currently negotiating for new police officers in Ballasalla, in conjunction with Malew Commissioners, and in Port St Mary to replace the Port St Mary police office when the Port Erin station opens. Those negotiations, I think, are already far advanced and hopefully will bear fruit shortly.

With Treasury we have agreed funding for feasibility studies on the redevelopment of the Ramsey and Peel stations to identify future improvements, now that it appears the decisions on the future of the courthouses have been made, and, contrary to what the hon. member alleges, there is absolutely no intention to close or downgrade Castletown police station. In fact we will be looking at ways to upgrade it and improve the facilities in Castletown. I gave an undertaking to the hon. member and to Castletown Commissioners that this would happen and I intend to stick by that. There has been no intention whatsoever, or it has not even been considered, to close Castletown police station.

We are also, as members may well be aware, currently carrying out a feasibility study on developing a new community police station in lower Douglas. This has been going on for some time now and I am hopeful within the next 12 months we will have identified a site and a way

forward to reposition a local police station in the centre of town, which I know is something which members have been calling for, certainly the Douglas members, for quite some time.

So I hope members will see from that that far from closing everything down and centralising it we are in fact still moving forward, we are building new police stations, we are redeveloping new police stations and we are finding ways to revitalise those stations which we already have. That will continue. We have no plans at the moment to close any other office or facility on the Island. So I can refute the imputation of the hon. mover's comments.

In relation to his resolution he actually states, although I do not think he stated it in his speech, the resolution states, 'That Tynwald is of the opinion that police substations and divisional stations which have been closed should be reopened and those presently operational should remain so'. Now, the big problem with that, obviously, is how far back do you go? There is no time limit on this at all. Do we go back to the year dot and reopen all the stations which have -

Mr Cretney: Surby.

Mr Bell: Even Jurby. It really is quite illogical to try and follow this particular resolution.

Mr Brown: We woke him up from a dream.

Mr Bell: We cannot live in the past, we cannot go back and reopen all these stations which in some cases were closed many, many years ago. It is totally wrong from a managerial, from a policing, from every aspect to even think about going along this particular line.

I can give members an assurance that we are working positively with the community to protect and revitalise the stations that we have. We are investing more money and we are actively and aggressively now pursuing with the chief constable a policy of expanding community policing.

The hon. member, in the second part of his resolution, states that from 8 a.m. until midnight all of these stations should have police officers operating from them. Well, that is fair comment, but the hon. member himself has said that the police stations need not be open, so the public would not have any further access to any of these offices even if they were operating from them. And why stop at midnight? The community wants policing 24 hours a day. It does not want eight until midnight. (**Several Members:** Hear, hear.) (*Mr Houghton interjecting*) So what is the purpose of a resolution which sends everyone home to bed at midnight?

I do not really want to cover every point that the hon. member has made. We could be here all night if I answered his questions point by point. I would simply give an undertaking to all hon. members that it is my policy, and while I am minister in the Department of Home Affairs I will give an ongoing undertaking, that the top priority, or one of the top priorities, is the expansion of community policing to rebuild where necessary and expand where possible the relationship between the police and the local communities. It is most important. It is a vital element of policing on the Isle of Man to have that link and we are determined that we will revitalise that and we are working very hard at the moment to achieve just that. I am sure my colleagues will agree with me and indeed we have been working very, very closely with the Police Authority. We have two members in this hon. Court who I am sure would recognise what I am saying.

In no way are we attempting to centralise policing on the Island. In no way are we trying to devalue the contributions made by the uniformed officers. We value highly what they do, but they have a different job to do from the CID elements. Both groups are vitally important to the policing patterns currently operating on the Island and we would want to work with the chief constable and, I hope, with all hon. members of Tynwald to achieve an acceptable level of policing on the Isle of Man which the community will recognise and ultimately we hope will benefit from.

I have circulated an amendment in my name which I hope hon. members will find themselves able to support and it says: 'For the words after "Tynwald" substitute 'confirms its support for the policy of community policing and requests that the Department of Home Affairs continues to discuss with the chief constable the best ways of maintaining and enhancing close contacts between the police force and the communities they serve and how the beneficial distribution and utilisation of police stations can contribute to this policy'. It simply reaffirms what I have just said, that we are working very, very closely with the chief constable to pursue this particular policy which has been a policy of the department and the Police Authority for the last two years. I would hate for us to be deflected from this policy now just when it is starting to bear fruit, when we are getting fresh resources, that we are now able to revitalise the police force, particularly again in the wake of the police force review which we are still in the process of implementing but which I am sure will start to bear fruit in the next 12 months.

I, to a certain extent, can recognise where the mover is coming from, but I do believe we need to look forward when we are talking about policing, we cannot look back. We need to recognise the Isle of Man as it is today, as it is going to be in the next decade. We cannot look back through rose-tinted glasses to allegedly this mythical time in the '60s and '70s when there was no crime and everybody knew their local bobby and there were no problems in society. I doubt honestly, if we look back, that that time actually existed except in our memories, but nevertheless it most certainly does not exist today and it most definitely will not exist tomorrow, and we have to develop a structure of policing which may not be to everyone's liking but it has to be the most effective form of policing that we can achieve on the Island. The nature of crime has changed. Drugs, violence, drink are causing problems in our community and we need to have an appropriate response to that.

I can also say that a subcommittee of the Council of Ministers has recently completed work on a review of the Police Act altogether which will in fact result in a Bill coming to the House of Keys in the next possible few weeks, if not the next two or three months, for consideration where perhaps a wider debate might take place at that time.

But for the purpose of this debate I would urge hon. members to support my amendment. If they go for this totally illogical and inappropriate resolution it would cause no end of problems to my department and really we would not be able to implement it in the way that I think the hon. member is trying to achieve. I hope he recognises the content of what I have been trying to say and will find a way of supporting the policy which my department is pursuing and recognise perhaps the shortcomings in the wording of his own resolution. So I beg to move the amendment standing in my name:

For the words after 'Tynwald' substitute -

'confirms its support for the policy of community policing and requests that the Department of Home Affairs continues to discuss with the chief constable the best ways of maintaining and enhancing close contacts between the police force and the communities they serve and how the beneficial distribution and utilisation of police stations can contribute to this policy'.

Mr Cannell: Mr President, I am quite happy to second the amendment, though I do have considerable sympathy with the mover of the original resolution and I hope this gives me the opportunity to express one or two concerns, some of which you may have heard before even in my brief period within this hon. Court.

I notice that the amendment seeks to very much vary the original resolution, but that is a lesson I learned last month, that the word at the start is sufficient to endure the motion. I notice now, though, we have got two words surviving in this one, so there is a percentage improvement there.

But seriously, on policing in the Isle of Man I had written down before the hon. minister came to his feet 'policing by nostalgia' - it is on my sheet here - because that is what he told me the last time and I am still saying that even though many things which we hanker for from our past are no longer attainable, the standards which we had not all that long ago have been altered beyond recognition for policing in the Isle of Man, notwithstanding, I accept, that the Island has changed and that the needs of the police force are in a very different manner to what they were in the '60s. But nevertheless it is indisputable that the public are calling for a better presence of uniformed officers on the streets, (**Mr Houghton:** Hear, hear.) particularly at times of trouble such as the emptying out of nightclubs, and they are not confined to Douglas. They are worried, they are concerned for their personal safety. When I hear that people will not drive along the promenade on a Friday night or a Saturday night because they are scared that people will jump out and attack them in their vehicles or commit some other form of crime which may end up with them being blamed for something that in fact is not of their own making, then it is time to be concerned. All the week round people are all the time crying out for uniformed officers on the streets. That is not, sir, policing by nostalgia, that is policing by common sense, and it still can be achieved, the local bobby knowing the patch, operating out of his own station, preferably living on the premises, where people will feel secure to go there and tell them and work with them and tip them off, not grassing, but giving them information that they might be extremely loath to go to central police headquarters with.

You say, hon. minister, that centralisation is not a figure for policing in the Isle of Man. I am sorry to have to say that that is not my opinion, because it started when regions were created when I think, if I am not mistaken, that Onchan and Peel were combined and the central valley district was created where there were operational transfers where you might want to tell somebody about something in Peel and you were referred to Onchan. Now, I know we have got satellite communications these days and it is not any problem to do it by electronic transfer, but nevertheless it cannot be right that a villain who is committing a potential crime on one side of the Island is referred to a police station set up on the other. That just does not suit the Isle of Man's method of operating, and I still suggest to you that there is still room for individual operations around the Isle of Man and I identify them as being Andreas, Ramsey, Kirk Michael, Peel, St John's, Laxey, Douglas, Castletown, Port St Mary and Port Erin as a minimum. That is 10 stations.

Now, I know also that one of the difficulties of running a police force is a very different method of employing them than once there was. It was an all-the-year-round job paid for at a standard rate and the bobby was expected to get up in the middle of the night and attend to anything which was reported to him. These days it is duties, it is terms, it is hours, it is conditions, and when I hear, and I hope it is not true, but when I hear of people being brought to the Island to give specific advice to the police on how to bail out on a supposed tale of sickness and injury, then I am extremely frightened for the future. I hope that that is not confirmed, that union representatives are coming to the Island and talking to their men on 'If you want to get out of the force we'll tell you how to do it.' What a terrible position to be in.

The civilianisation of the police force has come a long way, much has been done, and you can tell that from the split on the sheet we have had this evening. There are many, many other posts, though, that still could be either civilianised or put over to the special constabulary to free up the officers. That is what we need. I got a lot of stick in my election manifesto for suggesting that police could ride round on mountain bikes or motor-scooters, but subsequently I have gathered from the newspaper scans we are offered half a dozen places where just that is happening, and I am afraid it all went when we started to get police going round in cars. Now, there is nothing wrong with using a car to get to places - we do it ourselves - but they are out of touch then with the streets. It is only a small place, the Isle of Man, and let us get back to a little bit of policing by nostalgia. Perhaps it is not the case that we can leave our doors open and leave the ignition keys in cars and leave our motor-bikes out on the street, but I am certain things are not that bad that we could not yet have police doing regular patrols around the estates and around the main streets and keeping an eye on things. Okay, perhaps it has been a day for me to return to the old days - this is the second time I have been on my feet trotting out the nostalgia line and probably it is wearing a bit thin - but I still say if you did a survey of the public in the Isle of Man the number one thing they would be concerned about would be personal crime and the prevention of it by the lack of officers or by reinstating officers to patrol on the street.

Diversification of duties - I know it is a problem. Two hundred and eighteen officers did I see on the sheet here? Probably only a third of those are available for duty at any one time, with the shifts that are required of them and the sickness to which I have alluded. I have a personal experience of a very frightening incident, not to a constituent, but to someone from the town of Douglas who dialled 999 in the most extreme circumstances and I have to acknowledge the response time was magnificent. A potential serious incident was nipped in the bud and the response time was fabulous. For a 999 call a fast car driven well is the obvious solution, but we are talking about patrolling the streets.

There is a lot of petty crime. It does not sound much if you have your BMW scraped by someone down the side of it, but it can set you back a thousand quid for fixing it, and it is not on, and worse than that, many other petty crimes are going on and then you move up to the next level. How many shop windows are getting kicked in by people just walking around? Why does no-one see them? Why do the police not see these villains walking up from the promenade or walking through Ramsey or walking through Port Erin? Everybody knows who they are. They soon round them up afterwards, so if they are on the spot they should be able to spot it.

So all I am saying is it does not sound as if I am seconding the hon. minister's resolution, but I just wanted to make those points. I feel sufficiently moved to give the backing to the amendment because I think with the greatest of respect to my hon. colleague from Douglas North there, Mr Houghton, I am afraid his motion does leave a bit to be desired, it does leave it open to going back to police stations such as Crosby and things and heaven knows where police stations used to be in the old days, ones that even I do not know about at my tender age. So I do say, again as I said about Mr Karran this afternoon, I do respect the sincerity in which it was framed and what he is attempting to achieve, but I think we will be a lot better off with the amendment.

We are not police-knocking. When you stand up sometimes of course you are very loath to do it. It is a bit like calling into question ministers of religion or general practitioners or when you come to the police you think that could be even worse, that the wrath of everything will be brought down around you and lo and behold if your tail-light is out on the way home you will be run in once and for all. So those sort of things do not happen, we hope, and I am quite happy to move the seconding of the amendment for the Minister for Home Affairs, despite only two words surviving on this occasion, because I think it will literally fit the bill.

Mr Duggan: Mr President, it is time for knocking the police again by the look of it, and Mr Houghton's resolution, what he did say, does not bear any likeness with what he has actually come out with here tonight.

The police have got a very hard job to do, really speaking, as Mr Cannell says, about 218 or plus. But as Mr Bell, the minister, has stated, you have got 24-hour cover, hon. members, it is 24 hours, so you can divide the force by three and you have got to allow for sickness and holidays, so there are not all that many policemen to police the Island overall. In the past you did not have all the fraud problems, you did not have the drug problem, and recently, unfortunately, a lot of police time has been taken up with murder enquiries. The amount of time when you get something like that is enormous. So the police have got a very, very tough job to do, hon. members.

Now, when you look back on recent months, the minister has arranged seminars with the chief constable to iron out any problems, so if there are any problems the members have got, all they have got to do is get in touch with the minister or members of the department or get in touch with the chief constable or the deputy and they will iron things out.

But regarding Mr Houghton's resolution, as I say, he has come out with a lot more than what is on the resolution before the Court and I think it is a bit of a witch hunt.

Mrs Crowe: Mr President, as the Chairman of the Isle of Man Office of Fair Trading, I would just like to comment on the hon. member for North Douglas, Mr Houghton's comments about the problems of cowboy builders. Now, I am sure the village bobby was most valuable when dealing with these problems, but our inspectors have found that the system in place at present is very successful, not the village bobby, but liaison officers who co-ordinate the evidence received from all sources around the Island and pass it on to us immediately. These procedures need to be in place regarding the passing of criminal evidence. Times have changed. To secure safe convictions from these criminals we at the Office of Fair Trading will continue to rely on the modern systems now in place and the co-operation that we value so much from all the branches of the Isle of Man police force.

Mr Singer: Mr President, my comments relate solely to the resolution on the order paper and can I say at the start I do accept that one cannot go out and open every single police station that has been closed in the past. One cannot decide, 'Well, we're going to open them all', and I accept that. But the presence of a police station within a community is a reassuring sign of help and protection to the local inhabitants, and the presence of a policeman on patrol or on foot has a similar effect.

Now, the proposer of this motion, Mr Houghton, in another place stated quite correctly that the subject of law and order had been high on the agenda of most of the candidates, successful or otherwise, at the last general election. This is a subject which is of concern at all times, not just at general elections, and an item that many people speak to me about now, and that is most likely the experience of most members in this hon. Court.

I was pleased to hear the hon. minister state that apart from one exception there would be no closures of police stations on the Island, and that, I find, is encouraging. What is also important is that those police stations which are open are manned at times when the public might wish to use them, because it is disconcerting to ring the local police station and have the call redirected to Douglas. It is disconcerting to arrive at a police station during the day and find it closed, and it is disconcerting to arrive at a police station, particularly in the evening, and find it closed with an instruction to use a telephone to ring through to Douglas.

The public want a police officer to be available whenever possible, allowing of course for unforeseen circumstances. There is no criticism of the police in this respect. It is a case of organisation and allocation of resources, and whatever is the present trend elsewhere, I believe that local people wish to see community police officers, people they can get to know and trust, to recognise, and this is especially valuable to the younger members of the community. I agree, as has been said, that a local bobby on the beat gives confidence and creates mutual co-operation.

The majority of people fully support the police and realise what difficult and harrowing jobs they often have to undertake, but when the public arrive at a police station - and shall we take the times of 8 a.m. to 12 p.m. - they do need the presence of an officer or a trained civilian to deal with a problem. They do not want to find the door closed and locked.

I would relate to hon. members the following personal experience that happened to me in Ramsey not too long ago in that I had reason to call the police station when a customer was causing trouble in the pharmacy. The staff present were scared of violence. This was about 6 p.m. at night. The police arrived 25 minutes later, having been involved in an incident in Andreas - a police officer cannot be in two places at the same time - but by the time the police had arrived the person causing the problem had gone. It would have been helpful if an officer had been available at the police station in Ramsey and would have been able to arrive that much more quickly.

I think that it is acceptable for a police station to be manned by a regular officer, an auxiliary, a special constable or a trained civilian, but what is important is that someone is there to have direct contact with the public, and perhaps now is the time to give due consideration to the introduction of auxiliary part-time police officers.

The motion before us calls for the reopening of stations previously closed and with those presently open to be available to the public from 8 a.m. until 12 midnight. The reopening of a

particular station has to be judged on its merits, as I said earlier, but I feel perhaps there should be a presumption on opening.

Now, this resolution may not satisfy the calls for 24-hour cover in major town centres but it is, I believe, an acceptable compromise, a starting position, with the aim to expand the service to the general public on a planned basis. It is not a call to open new stations but the compromise of using those stations where a demand was previously needed and is still required, confirming the policy of community policing. Therefore I am pleased to support the motion as it is written on the order paper.

I would hope this hon. Court would support this motion because it will give a guide to Home Affairs in the arranging and budgeting of their resources, it will boost confidence in the police, it will give confidence to the public because my impression is that the general public will support this move in bringing the police service more directly to the centre of the community. Thank you, Mr President.

Mrs Cannell: Mr President, the minister, earlier on, talked about what we need to do and how we must look to the future. In looking to the future I think what we have to do is listen to the wishes and aspirations of the people. The people do demand a higher police presence, but not in terms of the present policy of the police where a higher police presence means more visible policing which means more cars which means more indication on the cars as to what the cars are, because that seems to have been the present policy, at least from 1996 to date to my mind. The people want to see more foot soldiers on the streets. The people want to see proper utilisation of police properties, and I think this is where the problem lies.

The minister, in rebutting the motion that is before us today and proposing his amendment, one thing he did not touch upon other than to ridicule - where would we start, how far back would we go in terms of reopening police stations and would it start at Jurby - what he did not say was that there is a policy problem within the department in relation to how they utilise redundant police substations, and that is going back to my short time on the department when the department was looking at the quantity of those places that had had to be closed down simply due to the fact that there had been insufficient maintenance of those properties for years. Now, some of those police stations were manned in times gone by and in some cases a police officer and perhaps his family lived there with him. He was on call. It was perceived during my time in the department that we could not go back and revisit that type of situation because it did not prove to be that popular with the police officer in that he never got any time off: he was always there and he was on call. I accept that; that is a valid argument. But nevertheless if you look at the manning for the public in terms of between 8 a.m. and midnight, for instance, a time at which the public know there is going to be a presence in the station, they know there is going to be a source of help, a lifeline in some situations. I think that is a valid point that the hon. member for North Douglas is trying to make.

The minister said that because of the budget - and he is grateful for it and I am sure every member is grateful - the department is able to take on eight new posts. Then he went on to inform us that four will be going to the drug squad and four for general duties. What he did not say was what he meant by general duties. Does this mean general duties within police headquarters in Douglas or does it mean general duties, i.e. uniform duties, four constables, we will have an increase of four constables -

Mr Bell: Eight new constables I said.

Mrs Cannell: - because that is what this motion is all about.

In relation to the four going to the drug squad, I am a little miffed as to why this seems to be the case when during my time in the department, because we have a growing problem with drugs but because we are a small community with not a very large population, it was said in 1996-97 that a lot of the offenders and drug dealers in particular knew who the officers were in the drug squad because we are local, we know each other, and of course we have this very close community. It was also suggested at that time that in order to help retain and mop up the drug problem on the Island, it was suggested by someone from HMI that we should be doing some kind of exchange system where we send four of our officers over to Liverpool, say, and bring four of the drug squad officers from Liverpool here to help with detection rates. That does not seem to be happening.

There is a lot that we could actually go on here because there are a lot of things that should be addressed, but just looking at the motion on the paper, I do appreciate that there is a problem in terms of the department has not regularly maintained some of its properties, and to merely just open them without a considerable amount of investment would be ill advised. Equally on top of that of course a lot of the smaller police stations do not have any gaol facilities and so if it was required one night to lock somebody up because otherwise they were a danger to the public on the street, that could not be easily accommodated in some of the police substations and I think this is why the police force have, whether knowingly or unwittingly, begun to operate a centralisation policy, because that is how it appears to me, that that is what is happening. They do have to come in to Douglas to use the custody suite there if somebody is to be locked up for the night and invariably if a police officer or two are on duty in Ramsey they deal with a situation and they have to lock up somebody, then they have to drive into Douglas, which means that Ramsey at that particular moment in time may not be covered at all, which is quite unsatisfactory. That is the present situation that we have.

The motion that is before us is presenting a stopgap, a back-up to the present situation that we have in that if we were seriously to consider an auxiliary police force extending the skills and the remuneration of the specials or training members of the public to man these places so that there was a point of contact, then I think there would be merit in that. It does need to be looked at.

I am a little concerned about the amendment moved by the minister and I can see his rationale in moving it, but he is actually saying that he wants to continue to discuss with the chief constable the best ways of maintaining and enhancing close contacts between the police force and the communities. Now, to my mind those discussions started just after the general election when the hon. minister was appointed to that department and I and other members were appointed along with him. That is when those discussions started and we are over two years down the road and little, if anything, has happened in the terms of a development of that particular policy in relation to police stations. The minister is shaking his head. If it has, he has kept it very close to his chest.

Mr Bell: If you had stayed on the department you would have found out.

Mrs Cannell: And I appreciate that the prison has taken a lot of the department's time.

But then of course the amendment to the motion goes on and it says how the beneficial distribution and utilisation of police stations can contribute to the policy, that is the policy of working, having a closer contact with the communities and the police force and where those properties or police substations would fit in to that. So it is something quite different to what we are being asked to consider in respect of the motion that is on the paper.

The one concern I have - I could have gone with this amendment had it had a time on it, had it had a rider to that which said discuss the policy and make some kind of report back to this hon. Court, but it is open. In other words we want to continue to talk, we want to continue to evaluate this, try this, look at that idea. In other words we have not got the policy yet but we are still talking and trying to put it together. The only way, if this were to go through today, of being able to keep a tab on the situation by the members of the Keys would be to be putting questions down for the minister asking him has he developed his policy yet, what is he going to do. I am a little bit disappointed that the minister has not set himself a timeframe in which to develop the policy because then I think he would quite rightly deflect any flak that he might expect from this if it goes through today.

The other point I would make is that we were informed not so very long ago that the chief constable is in fact going to take retirement some time this year and I would expect, if my memory serves me right, that that is probably six, seven months away, say, and so if a new police chief constable comes in, how can we be assured that the same policy will continue to be developed, or how can we know that the new chief constable may not have some fairly brilliant ideas about the utilisation of the small police stations, and how do we know that he will not want to decentralise because the general policy, I think unwittingly, has been to centralise, and I know why that has happened and the particulars in relation to that.

I am quite happy to support the motion.

I will not support the amendment because it does not have the security that I would wish to see in there. So I do not want to support something that is totally open-ended. But I do welcome the announcement by the Minister for Home Affairs today that a review of the Police Act is under way and that we should be notified of that in due course. I welcome that very much.

Mr Rodan: Mr President, I feel rather inclined to support the motion on the order paper for purely constituency reasons because it seems to me to deal rather neatly with an anomaly that has been around for a number of years and which gives rise to constant complaint on the part of the public and is still unresolved whenever I have raised this both with the minister and indeed with the chief constable, and that anomaly could best be described as a riddle and it is 'When is a police station not a police station? When it is a police house', because in Laxey we have a police house down Glen Road that is certainly not a police station. It certainly used to be a police station and we know this because it still has a sign outside this that says, 'When this police station is closed please phone' such a number in Onchan.

Now, this police house was unoccupied for over a year when the previous constable who was resident moved on and it was closed, unoccupied, and naturally the public started to complain why was Laxey without its police substation, only to be told that it never was a police substation, it was a police house and it was awaiting occupancy by a new constable, which duly happened some time late last year.

Now, as has been the usual practice the resident constable lives there with wife and family and operates an eight-hour shift system. So for any eight-hour period, and it is never clear when that is, there is a police presence based in the village. The rest of the time there is no police presence but nobody knows when there actually is a police presence.

When the policeman is working his shift he may actually be working elsewhere and it is his wife that is there and she is dealing with the hassle and the hammering on the door. His wife is supposed to be dealing with this and indeed if his wife is there and the police constable is not there, there is difficulty for the public. If the police constable is there and is not on duty the member of the public is as likely to be told, 'Very sorry: I'm not on duty', because that precisely happened on one occasion several years ago when a member of the public went to report an act of vandalism currently taking place, only to be told, 'I'm very sorry: I am off-duty.'

Now, to me this is an illusion of a permanent village-based police presence. It is an illusion to the public. It does not inspire confidence. It would be more honest to close that police house and do away with the pretence that when it is occupied there is a police station in the village of Laxey, because there ain't a police station, despite what the sign still says.

The motion on the paper, as far as I am concerned, begins to bring a bit of sanity into this situation. It is requiring that during the hours when the public are likely to require to visit the police house-cum-police station between 8 a.m. and midnight there will be some certainty that it might be manned or staffed and if it not staffed by that serving officer, then it could possibly be staffed by a civilian.

I have to say that the minister indicated that supporting this motion was not a logical thing to do. Well, as far as I am concerned and my constituents are concerned it is a logical thing to do and at the moment I am inclined to support it.

Mr Shimmin: Mr President, I do not think there is any surprise that the hon. mover of this motion has brought it forward. His views are well known and his experience in the police service has been very valuable since his arrival in this Court.

Around the time that he entered the Special Constabulary I was completing my education on the Isle of Man. Some 20 years later it is a very different world, and having just come from that educational system I say that with some authority. Sadly, I have experience of having been a head of year of two young men who have been brutally murdered on this Island in recent years.

We have had deaths on our Island, drug-related. At the time of the real upsurge in drug activity on the Isle of Man I was responsible for discipline within one of the secondary schools of the Island. Prior to some of the worst offences taking place I used to be like a community police officer where I would be told what was going on, who was doing what, and immediately after any incident somebody would come and talk to me. Almost overnight that stopped. It stopped because people were scared. They were scared because they were no longer dealing with minor trivial offences, but if they were then to be reporting incidents, they were possibly reporting them on people who were so violent that people were scared. The public are scared and we perpetuate that fear by some of the misinformation which we repeat in this chamber.
(A Member: Hear, hear.)

The police service has had to adapt. In the two years that I have been privileged to serve with the minister on the Department of Home Affairs I have learnt an enormous amount about the police officers on this Island, and to a very great extent I have enormous admiration and respect for the work they do, but as in any body of people, there will be dissatisfaction, there will be problems.

In that time, and the mover of the motion has already acknowledged this, the minister of the department has driven forward many initiatives which I believe we can all support. One of the previous speakers alluded to the fact that later this year the chief constable will be taking retirement. That means that we will have a new chief constable taking up the post, and I believe that the support for this motion would be another means of strangle-holding somebody before they take up the post.

Shortly we have a new chief executive post to be appointed within the department, and any hon. member who has worked for some time in this chamber will realise that the chief executive post at Home Affairs is due a serious upgrading in responsibility and position, and that is taking place.

The police review is biting. It is difficult. As my colleague in the department, Mr Duggan, has pointed out, the police have gone through, at the same time as the police review initiatives, dealing with some of the most extensive murder enquiries which have really diluted their ability to push forward the police review. However, what has happened is that there has been a mentality change within the service from the senior management down that there is now the emphasis on operational policing. The chief inspector responsible for operations is seen by the service, by the management to have the superior status and that the non-uniformed branches are a support agency to the uniform. Historically uniformed officers have been removed to support the non-uniformed branches. The opposite has been happening in the two years since we have been on the department.

We now have representation of the Police Federation officers on the Police Authority meetings. The minister and I recently attended a Police Federation meeting where we were warmly received and the dialogue that is going on with the officers I believe is benefiting the whole service and therefore benefiting the people of the Island.

I regret that my hon. colleague for East Douglas, Mrs Cannell, did not stay on the department. I believe she would have had a worthy input which would have actually seen the changes and helped to drive forward the changes, but I am horrified by her comment that little has been done in the two years. I believe from my presence there I have observed enormous amounts of change, not just in what is done, but the mentality of the service and the enthusiasm to drive forward changes.

This support for this motion would not be a stopgap operation, it would be, to use a metaphor, handcuffing the department and the service to say, 'You have to abide by this: it is the will of Tynwald.' We have so many things, as in any department of government, with the resources that we are allowed to use, certainly within any of the regional areas, and the previous speaker, Mr Rodan for Garff, pointed out, yes, on a constituency basis it would be very easy to support something like this. To look for auxiliary police officers or greater use of specials would be easy, it would be popular, but it is at the present time impractical. We cannot afford to restrict the operational work of the police by something which is dealing with

isolated problems, and I agree that the scenario in Laxey appears to be unsatisfactory. There are many issues that are unsatisfactory within our government departments. The department and the police are working together, probably closer than has ever happened, according to people who have been involved for longer than I have. Let us not spoil that relationship which is being built up and the progress that is being made by imposing something which, although beneficial or popular for local areas would not benefit the whole of the Island.

The member for Onchan, Mr Cannell, talked about unions helping people bail out of the service. I find that very unhelpful. I believe that the welfare support that we offer our employees has been woefully inadequate, not just in the police service, but in other areas. There are people who do feel the time is right to get out of the service, and they are entitled to suitable advice and guidance. That is what has happened. At the Police Federation meeting it is appropriate for the federation to invite their colleagues from this federation in the UK to come over and talk with officers on the Island. That is all that happened. It was not a specific reason to come over for that purpose. They were invited guests of the federation and they took the opportunity of talking with officers.

I would say that as much as we may moan, initiatives which are establishing and we could do well to support are the initiatives of the Crimestoppers, the Neighbourhood Watch. I commend Douglas Corporation, a body of people which gets much criticism in this chamber. However, they have initiated a CCTV trial in Douglas which has now been maintained in a permanent status. Negotiations are well advanced to linking that to police headquarters. It is not police officers on the beat, but it is more eyes looking out for crime and will assist the response to try and prevent situations becoming more problematic and dangerous for the people of this community.

I would make one observation. The mover of the motion talked about 70 per cent of the officers in Douglas have less than three years' experience. I could use a comparison and say that 80 per cent of our secondary school head teachers have three years' experience or less. Changes happen. As the changes happen people move on, move out and they are replaced at the grass-roots with new people coming in, people with new initiatives. There have been enormous changes in all of our bodies. If you look at the education service, there is an enormous turnover, and that is not to be criticised. That is something which can be seen as healthy. It depends on your outlook. Regarding the supervision of those new officers I do take on board his observations and I think the minister and myself will look into that to find out whether these are genuine problems which need to be resolved or whether they are details which have been amended in the passing of time or the communication to others.

Similarly the criticism of the empires being built in the CID. Historically I am sure that has been true. Historically the same could be alleged in the health services, in the education services and in most other bodies of professional people working within government. The empires are there because people care passionately about the work they are doing. In a previous debate today the former Chief Minister Sir Miles I think it was referred to if you give people a job they will want more staff to do the job better.

We have resources available. We have a growing area within the police, such as the family protection unit - an enormous drain on time and personnel. We can not afford to dilute some of these valuable services the police offer to our community, and I think that some of the comments that have been said do not reflect the change that has happened.

I am delighted to support the amendment moved by the Minister for Home Affairs which comes as no surprise.

I would welcome continuing dialogue in a healthy manner from the mover of the motion who I believe has still got much to offer to the department. I do not criticise him or complain about his intentions. I do believe, though, that you have a department and a police service that are moving forward and I would ask you now please to support the amendment so that we can continue the progress that we have made in two years. Thank you, Mr President.

Mr Brown: Mr President, the last speaker I think has put a lot of the issue into context and clearly from my standing I have been a critic of the situation we have had over many years with regard to how the policing has been undertaken on the Island and my criticism has come from the point of view that we have had a situation where I believe resources have been directed into the wrong places and what is seen as priorities by the public has not been reflected by the decisions of the chief constable.

I think it is very important for us to be clear on this issue. The situation is quite straightforward. Under the Police Act of 1993 presently the chief constable alone, by statute, has the unfettered responsibility where to direct his forces. No politician, including the minister, Chief Minister, members of the department, members of this Court, has the power to instruct the chief constable to do X, Y or Z.

What can happen, and I think it has been echoed by the hon. member for West Douglas and the minister covered it, has been the situation that the dialogue has increased to try and resolve the problem, and clearly a clear understanding and respect of each other's position is what is needed if the two parties can work together for the whole benefit of the Island, and I think it is fair to say that in the last couple of years there have been a number of major improvements that have made some changes. There are still things that we are all not happy with, but there have been changes.

Now, the minister mentioned that there had been a committee of the Council of Ministers about looking into the Police Act of 1993, and I am one of those members and I have to say my view is that that 1993 Act is deficient, and I believe when members see the Bill that the House will, and I hope it will, in another place support those provisions which will help overcome some of the deficiencies in the present legislation, which I believe will bring about improvements to the policing of the Isle of Man.

Now, we have before us a motion on the agenda and I have to say I agree 100 per cent with the view that if we support that motion no matter how attractive it is, in fact it will work against us. In fact the motion on the agenda paper is restrictive. It is actually restrictive because it specifies times when police offices should be open. But what happens? We might want them greater than that in an area because of a specific reason. Therefore the amendment allows the department and the chief constable to continue to improve the situation, and I think that is the logical way forward. We know there is going to be a new chief constable in the not-too-distant future and heaven knows what he or she may decide as the right way forward for the Isle of Man, with their responsibilities, and they may well decide a different approach than our present chief constable. They may well decide a need for greater centralisation. I hope there is not because I disagree with that policy, but certainly that is going to be a learning curve of a new chief constable in the Isle of Man, as it was for the last one,

because it is very easy, and not only a chief constable does this but many departments of government, many businesses on the Island, centralise because the Isle of Man is small. What they forget and what they ignore or put to one side is the geographical nature of the Island and its distinctive villages and towns and populations that need servicing, and there is a cost to us to service that and that is where we come in, that is where we then have to look at whether or not it is worth paying the cost of the additional resources required to enable us to meet some of the objectives that have been mentioned here today, and that is a different issue.

We have 218 police officers in the Isle of Man. That is one officer for every 325 people on the Island or thereabouts, one of the highest proportions of police per head of population of anywhere in the British Isles, and therefore there has been a big change, and just to give an example that causes concern, being a southern member, and my colleagues, I know, have a similar concern, in the southern division we have got 16 police officers including sergeants and an inspector. Whilst the police force has increased by 64 officers, that in fact I think has reduced by one person in that period since 1981. So I think, rightly, there is a feeling from the districts that they have become secondary in this whole issue. Now, that is understandable because we believe, especially in smaller areas, that we like to feel closer to our community, our police, our members of the House, doctors or whatever it is, and somewhere in there the chief constable and the department have to balance up that, whether we like it or not, the criminals are far more mobile now than they ever were. In fact they have mobile phones to say when the police van went past so the fella up the road can go and do something that he wants to do that might well be, and usually is, a crime. So they are far more mobile, and somewhere in that we have got to make it work. How many of us would be unhappy if a police officer was on the beat somewhere and he was required urgently and it took him 10 minutes to walk back to the station to get a vehicle?

The thing is, my view is that we actually need to identify - and I hope that the department will look at this with the chief constable, either this one or the new one - an officer for each area, a village or main town, who will be described as a community officer and who will actually have different terms and conditions of employment so that he does not have the situation where he says, 'I'm sorry, I'm off duty: you'll have to go and tell somebody else', that in fact that officer, he or she, will actually be given special terms and conditions to recognise the special nature of that job. Now, how practical it is, I do not know. But that is really what members tend to talk about, a way forward to deal with that.

I think the other thing is the point the hon. member mentioned, the member for Onchan, about police on bicycles. I can remember one of my predecessors, Mrs Quayle, in fact promoting that issue in the '70s, and headlines in the paper were quite decrying of her proposing that they put police back on bicycles. I have to say I believe in certain areas police on bicycles is actually a very positive way (**Several Members:** Hear, hear.) of ensuring the police are mobile. So I think that is something that may well come back.

If I can have one little dig, I might be a bit old-fashioned and some would say I am (**Mr Houghton:** Hear, hear.) but I have to say I am one who does not like the term of seeing signs on Douglas promenade that say 'Cop Shop'.

Mr Houghton: I agree.

Mr Downie: Quite right.

Mr Brown: I think that decries the police officers and I think it should be removed and it should say what it is.

Mr Houghton: Hear, hear. It is meaningless.

Mr Brown: It is a police office or a police shop or something. Anyway, that is just a personal point.

There was also criticism about what we are going to do in terms of officers having to move offenders from police stations in the districts into Douglas. But the police powers and procedures legislation has brought that on because of the need for custody officers. The world has changed. People have rights and question about what has happened to them while they have been in custody, so there have to be procedures to deal with that.

I would say that as far as knowing what is going on in the police force, in fact we do have an annual chief constable's report, we have a policy document and of course we have direct access to the minister and his department members and of course the chief constable, if we have concerns.

Just one other thing, basically, which was a view that was given which I think we do have to be careful about, a comment which I can clearly understand made by the hon. member for Onchan, Mr Cannell, when he said that it is no fun when somebody's car is scratched, he said a BMW is scratched, and more police on the beat would benefit us in terms of dealing with that. I would suggest it takes two seconds to put a scratch along a car, two seconds, in the dark. A police officer or in fact even CCTV might not catch that because it is so easy to do, and unfortunately there are people who do it.

But one thing I do not think we should forget is that the vast majority of people on this Island are law-abiding and without their support the police would not be able to be as effective as they are, and whilst we have problems, and we all recognise there are individual problems and there are specific ones we can deal with, it is important, I think, that we retain the balance between the policing of the Island and the freedom of the Island, ensuring that the people can enjoy living here, and I think that as long as we keep that balance right, we will not be too far out.

Mr Henderson: Mr President, I have listened to the debate with interest so far and there have been some very different views expressed but nonetheless it does not detract from the fact that the hon. mover of the motion is moving what I consider to be an honest and fair resolution for the consideration of this Court.

I see no problem with the link from the motion to the actual speech. The speech is the actual outcome of what the motion hopes to bring about. I see the positive aspects that are hoped to be brought about by it and I certainly wholeheartedly support more of the community police presence, the bobby on the beat, the kind of thing we have heard so much about tonight, and I too abhor the closure of police stations, whether it be part of policy or not part of policy. It is something we need to get to grips with and have a closer look at in my opinion, and I am certainly conscious of the layers of management syndrome, and, yes, the hon. member for Douglas West was right when he was pointing at different departments, but nonetheless this department is under scrutiny at the minute and I think we need to have a look at the layers

of management syndrome and just have a look at how things are apportioned out and how resources are being used and are they effective and are they effectively meeting the needs of the community in this respect.

We have heard from the hon. minister for the department. Things are through rosy-coloured spectacles. Things have been generally rebutted by the minister. 'Totally illogical' and 'inappropriate' are the words that come from his hon. lips. However, I certainly picked up several things that I was very keen on to highlight in my piece to this debate and that was that the hon. minister clearly pointed out to this Court that parts of the police are now speaking to each other. Parts that other parts did not know exist, now know they exist.

Mr Houghton: Hear, hear. Well said. Hear, hear.

Mr Henderson: Well, that is news to me. That speaks of a problem in itself.

Also he highlighted a resources argument and there are reviews taking place, there are radical shake-ups. My hon. colleague from North Douglas has got 20 years' experience in policing. That coupled with the issues that the hon. minister has highlighted - surely there is a problem here. The mover of the motion cannot be that wrong and I feel he has hit the nail on the head and it has caused some consternation within the department apparently, but nonetheless we are here and we are going to debate it and move the issue onwards.

The hon. member for Onchan was nostalgic and the hon. member for West Douglas, Mr Shimmin, was all shook up and handcuffed and worried about signals we were sending out from this Court. We are here to debate things, as far as I am concerned. I was elected to ask questions and debate issues and assist in the workings of government and so on. If we are going to be accused of being handcuffed and so on we might as well not debate, we might as well all go home now. I believe that this is the place to talk about things and if the issues are thorny, yes, then we do need to discuss them.

I am not here to discuss the actual professional commitment of the men of the Isle of Man Constabulary, the way they carry out their job, the hard work that they put in, that is not an issue. All that I have pushed to one side of the desk. It was highlighted by the hon. minister and it was highlighted by the hon. member for Douglas West, Mr Shimmin. That is not the issue. We are looking at policies, we are looking at procedures and we are looking at the effective use of resources, not the hard work that those men and women in the police force do.

Mr Brown was all handcuffed up too, but I would take issue on the two-second scratch because I know from experience that anybody who feels minded enough to vandalise a brand-new BMW does not produce a two-second scratch, he will do what is phrased as 'coining it' from the rear light to the front light, which will take more than two seconds and will stand out on a CCTV camera, or the nail trick which is just the same from bonnet to boot and will show up, I assure you.

Having said that, what have we really got at the end of the day in our community? I will tell you from my own experience and from my own short time in this Court and certainly canvassing the extensive patch of North Douglas, we have got Willaston with an empty police station (**Mr Houghton:** Hear, hear.) with a thousand houses in that particular estate, (**Mr Houghton:** Hear, hear.) we have got Cronk y Berry, we have got the famous Governor's Hill

estate which Mr Karran spoke about earlier in the day in another place, another thousand houses there, (**Mr Houghton:** Hear, hear.) devoid of real serious police cover such as the community policing we are speaking about tonight. Opportunistic crime is rising in Governor's Hill, it is causing problems. We are not talking about violent serious crime, we are talking about opportunistic vandalism: car mirrors being broken off, bricks through windows, that kind of stuff. Now, that has started to creep in and no doubt Mr Shimmin is quite correct. In time it will move on to violent crime when people will be afraid to actually report to any police person, and I think it is high time that we took cognisance of the motion because we can nip this thing in the bud now if we have a careful look at things.

We have also got the concept of we have used the Special Constabulary. We can train an ancillary staff. We have got some more use of civilian staff, if needs be. We can put more police back on the beat if we so wish. I take cognisance of the policies and things that are going on within Home Affairs, the changes, there are new people coming in. But at the end of the day one of the biggest issues I found when I was knocking on doors is the issue of law and order, as we have all heard, the public issue and the real issue, and that is something that needs to be blended in, I would suggest, into policies, not in spite of, but blend it in, take note of it and see how it can be shaped up to meet the needs of the community. If they are saying we are wrong or if it is Department of Education, I am quite happy to have a look at something. So perhaps should the Department of Home Affairs.

Having said that, I do not believe for one minute that the hon. mover of the motion is so nostalgic that he is looking back to something of the ilk of 'Heartbeat' and hoping to introduce that into a 1999-year 2000 scenario. (*Interjections*) I think he is quite right. He is looking at what would be suitable for 1999, taking some of the aspects that will work, tweaking them up to suit the appropriateness of the situation now.

I do feel, like an hon. member earlier, am I in a dream or what? Are we really discussing the needs of the community here or are we just shovelling those away as well? I think we can do better than that and, as I say, I believe that the motion is an honest attempt to address a situation and I wholeheartedly support it in its entirety without the amendment. Thank you.

Mr Waft: Mr President, I was not going to rise for this debate but I really am concerned about the criticism that has been levelled at the mover of this motion. We are talking here about Mr Houghton who has been a highly respected police special sergeant.

Mr Cannan: He was the commandant.

A Member: Inspector.

Several Members: Commandant!

Mr Quine: He was Herr Flick!

A Member: Higher, George!

Mr Brown: Can't you tell by his haircut?

Mr Waft: Rapid promotion here. So, please, let us give him the respect he deserves. (**Several Members:** Hear, hear.) When he puts forward a motion to this Court, he does not do it out of flippancy, he does it after considerable thought, and you have been distributed with answers, questions that have been posed in the past and answered. So if we can accept

where he is coming from, he is at the sharp end of policing and has been for a number of years. He is a highly respected member of the special constables. I have known him many, many years. But to treat that member by talking about cricket balls and willow and policing by nostalgia and rose-tinted glasses I think is totally out of context and should be completely disregarded. I think you have got to bypass all that and see what essence is in the hon. member's concerns.

Now, the hon. minister referred to breakdown of society and restrained by resources and hopefully the drug squad and the fraud squad over the next 12 months will improve and they will get it all together et cetera. But I heard the member for Garff when he was concerned about the police house in Laxey. I know all about the police house in Laxey as opposed to a police station and there are concerns in Laxey, and there are concerns in Onchan with respect to a police house in Onchan when people go there at night and there is a little telephone there and who to ring. Whether that should be right really does cause me concerns and I have had complaints many times about it.

With regard to the report and a subcommittee on the Police Act 1993, I am delighted that that is coming along and fully support that.

I agree with the hon. member for Castletown and the Cop Shop. I think that is totally out of context. (**Mr Houghton:** Hear, hear.) It is not a Cop Shop, it is a police station or it is a police office.

With regard to Mr Shimmin and CCTV, I would remind the hon. member that the CCTV was brought about by the Douglas Town Council and Castletown from the civilian side rather than the police side. The police were just saying, 'Oh, we're only going to move the problems to another area', and that was the way they were thinking at that time.

With regard to prisoners tagging, I was concerned with that years before and mentioned to the minister at the time. However, that is coming along as well.

The minister mentioned Castletown not closing down. Can I refer him to Onchan? Can I get a guarantee there as well, minister?

Mr Bell: It depends how you vote at the end of the speech. (*Laughter*)

Dr Mann: Bring on Commissioner Quine!

Mr Waft: Could I ask also, minister, what happened to our meetings with the chief constable? They were fairly well attended and some concerns were debated at that time.

Getting back to the hon. member Mr Houghton, he has got a wealth of information and experience and I think sometimes there is just a breakdown in communication with the officers at headquarters, if Mr Houghton could be given a little bit of time now and again to explain the problems that he sees and try and get some benefit of his experience. And, minister, no-one mentioned devaluing uniformed police officers, nobody ever said that at all, so I do not know where you got that one from.

With regards to centralisation, the Onchan police station, I might mention, is now part of central division, so I just thought I would throw that one in.

The amendment just refers to what is virtually the status quo with contacts between the communities. Well, you, hon. members, are representatives of those communities, and

concerns have been expressed here today. I would just hope that they are taken on board. Thank you, Mr President.

The President: May I call on the hon. mover to reply?

Mr Houghton: Thank you, Mr President, and I will be very brief. It has been an excellent debate. There is much more come out of the debate than I would ever have known and especially this hour of the evening, hon. members.

I will desist from going thorough each member's comments at such a late time because, as I say, each member had a very valuable input to it and I will read the *Hansard* at a later date with much interest again.

What I want to do is get on to the situation as regards the amendment in the name of the Minister for Home Affairs, but very briefly before I do I would just like to go into certain issues that have been mentioned by two speakers about the Cop Shop. The Cop Shop is a poor way of describing what is a police station, but I am afraid, using the old term, the Cop Shop ain't a police station. It is not a police station. It might as well be a joke shop because it is not a police station. When I look at the situation with the Cop Shop, I did say in my speech that officers, community beat officers, are based at the Cop Shop. Those community beat officers do not go out on patrol at all. They just do things in the Cop Shop, and when somebody came to the Cop Shop not a week or so ago to report a burglary, guess where they were sent? The Douglas police headquarters up the road. They had to go up and report it up there. Now, isn't that an absolute disgrace? It is a total and utter disgrace that that is going on. But I concur more in particular with Mr Brown. Usually I never see eye to eye with this gentleman but I do -

Mr Brown: We did karate together.

Mr Houghton: We did indeed.

Mr Karran: Till you started hitting each other over the head!

Mr Houghton: But I do agree that the force is being looked on more and more as a joke. The Cop Shop is known as 'the joke shop' and I would agree that sign wants taking down and they might as well just use it for a tea hut because that is all it is for.

Can I now just go on to the amendment. If I can just briefly read the amendment: 'That Tynwald confirms its support for the policy of community policing and requests that the Department of Home Affairs continues to discuss with the chief constable' - I will stop at that - 'confirms its support for the policy of community policing'. I have just told you what the policy of community policing is. It is meaningless and that is exactly what this amendment is, absolutely meaningless, hon. members, totally and utterly meaningless. It just means - that is all this amendment means here - 'Carry on, boys, as you are', just continue as it is. Keep talking to the chief constable and so on. That is exactly what has been going on now. That is what has caused me to put this motion here to this hon. Court, to point out to you just how quickly and rapidly policing in uniform is sliding down a very, very steep slope. That is what is already going on and if we endorse this today, hon. members, please be warned by me, please be warned. If we endorse this amendment here and support this amendment, what we are saying to the senior management of police is 'Carry on, boys, because we do not give a you-know-what.' It is as simple as that. It is meaningless. Shall I continue?

Several Members: No.

Mr Houghton: 'the chief constable the best ways of maintaining and enhancing close contacts between the police force and the communities which they serve and how the beneficial distribution and utilisation of police stations can contribute to this policy'. He should have said, 'can continue to slide in the backwards direction that it is going'.

Hon. members, I wish to say no more. It is very, very late in the hour. We have one further motion on this. But please heed my advice. Please do not support this amendment. Please support the motion. Thank you. I beg to move.

The President: Hon. members, the resolution is set out at item 25 on the order paper and to that resolution we have the amendment circulated on the white paper in the name of the hon. member for Ramsey, the Minister for Home Affairs. Will those in favour of the amendment standing part of the resolution please say aye; against, no. The noes have it.

A division was called for and voting resulted as follows:

In the Keys -

For: Messrs Gilbey, Quine, North, Sir Miles Walker, Mrs Crowe, Messrs Brown, Cretney, Duggan, Shimmin, Downie, Mrs Hannan, Messrs Bell, Corkill, Cannell, Gelling and the Speaker - 16

Against: Messrs Cannan, Rodan, Houghton, Henderson, Braidwood, Mrs Cannell, Messrs Singer and Karran - 8

The Speaker: Mr President, the amendment carries in the house, 16 votes being cast for and 8 against.

In the Council -

For: Mr Lowey, Dr Mann, Messrs Radcliffe and Crowe - 4

Against: The Lord Bishop, Messrs Waft and Kniveton - 3

The President: In the Council, hon. members, 4 votes have been cast in favour of the amendment, 3 votes against. The amendment carries.

I will now put the resolution as amended. Will those in favour of the resolution as amended please say aye; against, no. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys -

For: Messrs Gilbey, Cannan, Quine, Rodan, North, Sir Miles Walker, Mrs Crowe, Messrs Brown, Cretney, Duggan, Braidwood, Shimmin, Downie, Mrs Hannan, Messrs Bell, Karran, Corkill, Cannell, Gelling and the Speaker - 20

Against: Messrs Houghton, Henderson, Mrs Cannell, Mr Singer - 4

The Speaker: Mr President, the motion carries in the House, 20 votes cast for, 4 votes against, sir.

In the Council -

For: Messrs Lowey, Waft, Dr Mann, Messrs Kniveton, Radcliffe and Crowe - 6

Against: The Lord Bishop - 1

The President: In the Council 6 votes have been cast in favour of the resolution, 1 vote against. I declare the resolution carried.

Pig Farming – Support – Motion Withdrawn

The President: Item 26, the hon. member for Michael.

Mr Cannan: Mr President, I beg to move:

Tynwald is of the opinion that pig farming should receive support equivalent to that received by other sectors of the agricultural industry.

The Minister for Agriculture informed me prior to the last sitting that she wished to make a statement regarding the support given to pig farming by her department and the present state of negotiations with the Pig Producers Association. So on that basis I will move the motion and allow the minister to make her statement.

Mr Singer: May I second the motion and reserve my remarks.

Mrs Hannan: Eaghtyrane, in answer to a question in another place I outlined my department's discussions with the Pig Producers Association in response to their representation for increased financial assistance, financial assistance that has been in place for some time. For the benefit of this Court I will summarise the situation.

Pig prices fell in 1998 after two good years. Very good market prices and profits were achieved. Pig production numbers therefore increased both here and in the United Kingdom. In the Island the number of breeding sows increased from 462 as at 4th June 1996 to 678 on 4th June 1998, an increase of nearly 47 per cent.

The expansion in breeding numbers brought about an increase in the number of pigs being processed through the meat plant and attracting subsidy. In 1996 there were 10,105 eligible pigs for subsidy. In 1997 there were 12,383 pigs and in 1998 there were 13,057 eligible pigs for subsidy: a two-year increase of nearly 30 per cent.

Expansion meant market oversupply which, coupled with the strength of sterling and the collapse of markets in Eastern Europe and in Russia, made prices lower, and also the lower price of imports was more attractive and therefore it affected the market that we were feeding into. This led to a major fall in pig prices. In Mann prices fell from 145 pence per kilo in 1997 to 104 pence per kilo in 1998. Both figures are inclusive of the 40 per cent per kilo department subsidy and level delivery bonus from the Fatstock Marketing Association.

My department operates a pigfeed subsidy which pays a maximum of 40 pence per kilo or £20 on an average weight of pork pig. This subsidy links the price of feed and the price paid by the Fatstock Marketing Association for pigs. There is no equivalent support available in the United Kingdom. In 1997-98 the department paid £267,438 in pigfeed subsidy.

I would not want to start a debate about equivalent support across other sectors of the agricultural industry at this time. We are talking about a pigfeed subsidy as opposed to either headage payments or variable premiums in the other sectors.

My department held a series of meetings in the summer of 1998 with the Pig Producers Association. It was argued that the pig industry had expanded too far. It was producing pigs which attracted subsidy and these were exported at a loss. This loss was passed back to

producers via the Fatstock Marketing Association, resulting in a lower price. Such a situation makes no economic sense. The Fatstock Marketing Association confirmed that an annual throughput of 10,000 pigs would allow for continuity of quality local supplies, fill the regular export demand and reduce the need for loss-making export sales. My department therefore believed it should encourage the industry to produce only 10,000 pigs per annum but in return it would provide for an increase in the subsidy from 40 pence per kilo to 60 pence per kilo or from £20 to £30 per pig.

My department made an offer to the Pig Producers Association to increase the maximum available under the subsidy available from 40 pence to 60 pence per kilo as from 17th August 1998. This would have been payable on a weekly basis until 31st March 1999 on the full numbers of qualifying pigs being produced, for example without any individual or total restriction on numbers, and introduce an additional £80,000 into the industry. My department was prepared to allow this period of increased support to permit the industry to reduce in size through natural wastage and forward planning in order to start the fatstock year in April 1999 with the aim of producing 10,000 eligible pigs in the year.

The pig producers have been unable to agree to this support package which I reiterate would have immediately increased their subsidy element from the department by 50 per cent or £10 per pig from 17th August without any restrictions on the number of pigs already in production and being presented for the subsidy. However, I am pleased to advise this hon. Court that negotiations are continuing with the Pig Producers Association. The basis for agreement on the department's package of increased subsidy, based on the 10,000 eligible pigs per annum with an individual producer allocation, is currently being explored. I am hopeful that a scheme can be brought to this hon. Court before too long to secure the future of the industry.

In finishing my statement could I also say that in our discussions with the pig industry I have agreed - or this is being put to the membership of the Pig Producers Association - that the backdating of their support to 17th August is still on the table and that in turn they have agreed that their 10,000 allocation would start from 1st April this year. However, there are a number of minor issues which we have to agree on before a scheme can be brought to Tynwald and I am hoping that the Pig Producers Association will agree to the package as a whole very shortly. Thank you, Eaghtyrane.

Mr Cannan: A point of order, Mr President, sir. I am satisfied with the statement, and with this Court's permission I now wish to withdraw the motion.

The President: Does the Court agree?

Members: Agreed.

The President: Thank you. Hon. members, that concludes our scrutiny of the order paper. I wish to thank all members for their patience in wading through it, and the Council will now withdraw and leave the House of Keys to transact such business as the hon. Mr Speaker may place before them. Thank you all very much.

The Council withdrew.

House of Keys

The Speaker: Hon. members, the House will stand adjourned until Tuesday next at 10 a.m. in our own chamber. Thank you, hon. members.

The House adjourned at 8.30 p.m.