

**REPORT OF PROCEEDINGS OF
HOUSE OF KEYS**

**Douglas, Tuesday, 25th January 2000
at 10.00 a.m.**

Present:

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

The Speaker took the prayers.

Health Service – New Year 2000 – Staff Leave – Question by Mr Henderson

The Speaker: Hon. members, we turn to our order paper this morning. Suffice to tell you that the hon. member for Middle will be joining us later this morning. I call upon the hon. member for Douglas North, Mr Henderson.

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

In respect of the period 31st December 1999 to 1st January 2000 -

- (a) were staff of every operational ward and department in the health service refused permission to take leave and, if so, why;*
- (b) were ward managers, deputy ward managers, clinical nurse managers (and staff of higher or equivalent rank and responsibility) required to work and, if so, how many and why;*
- (c) were other staff placed on call and, if so, why; and*
- (d) with respect to the staff referred to in paragraph (b) -*
 - (i) were those who were required to work entitled to millennium payments; and*
 - (ii) what was the additional cost arising from the attendance of those who would not normally be on duty on bank holidays or weekends?*

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

Mr Karran: Vainstyr Loayreyder, the hon. member will be aware that, in common with all government departments and organisations generally, my department developed detailed plan strategies to address the risk potential of the year 2000 problems. This involved the development of business continuity plans across the health services in the interest of ensuring as far as possible that, should anything untoward significantly occur of the year 2000

problems, patient care would not be jeopardised. The issue of staff levels was of particular concern and was a matter of the highest priority within the overall planning process.

The answer to the first part of the question is no. However, I can confirm that leave applications covering the millennium period 31st December 1999 to 1st January 2000 were left for the service managers to determine. Having regard to the needs of the service as identified on a risk assessment basis under the business continuity planning process, it is the case that in the number of key areas leave was embargoed over this critical period.

Turning to part (b) of the question as indicated, each service area by agreement, determined its own staffing needs over this period, which in some cases included a requirement for additional senior staff presence. Across the service as a whole, a total of 33 additional senior staff were required to be on duty. I can also confirm that the business continuity plans established appropriate 'on call' rosters aimed at ensuring the availability of key personnel in the event of a major incident or unusual high demand for services.

With regard to the final part of the question, I can advise that all staff, including managers, who were required to work or were on on call over the millennium period are entitled to the enhanced rates of pay as agreed with the relevant staff sides of organisations within the framework agreed by the Council of Ministers. So as far as the cost implications are concerned, claims for enhanced pay have to be submitted by 29th February and, that being so, the additional costs have yet to be calculated.

Mr Henderson: Mr Speaker, I thank the hon. member for that answer, but seriously, would the hon. member not agree that in the real terms this is the worse case of jumping on the gravy train ever, the worst case of avoidable panic and poor planning, and would he not further agree that this wasteful use of valuable resources, including the additional pay those senior staff attracted, could have been better utilised in keeping some of the closed wards open and help solve the staffing crisis and nursing accommodation?

Mr Brown: So speaks the union man!

Mrs Crowe: Yes.

Mr Karran: Vainstyr Loayreyder, I would say this: would the hon. member give me an assurance he would not have been asking the opposite question if I would have had the situation -

Mrs Crowe: Exactly.

Mr Karran: - that there was a crisis? Then people would have been after my blood as far as people being seriously hurt or not getting the attention that they needed. I think the problem is, whilst I can sympathise with some of the aspects of the hon. member, I think it is easy to say this in hindsight.

A Member: Hear, hear.

Mrs Cannell: Mr Speaker, given the great consultation which took place prior to millennium to establish an increase in millennium pay for nursing staff, would the member for the department not agree with me that nursing staff feel somewhat disheartened at the fact that senior managers also qualified for this additional millennium pay, which far exceeded what they were due to expect?

Mr Karran: Vainstyr Loayreyder, as one of the few members in this House that has said that at least every decade we should have across-the-pay basis, I understand that 10 per cent of a lot is a lot and 10 per cent of nothing is nothing, but at the end of the day this was an agreement that was based outside my department. I have to say that, yes, I was quite surprised the psychiatric services were not under a lot heavier demand with the millennium being here. At the end of the day they were not, but if we had not had the likes of that service there and something had happened, then there would have been all hell let loose.

Mr Houghton: Mr Speaker, could the hon. member for the department confirm that during the millennium period Noble's Hospital casualty experienced one of the quietest times of the period?

Mr Karran: Vainstyr Loayreyder, the hon. member is quite right that we did not have a busy time, but at the end of the day, I know I am good, but I cannot forecast the future! (*Laughter and interjections*) And if that was so, then I would have been able to save a lot of moneys for us as far as this is concerned, but if it would have been the other way and the staff and the management had not been in, then we would have had a different scenario in this hon. House at this present time.

Mr Cannell: Mr Speaker, would not the hon. member for Health agree with me that this was a fine example of prudence, that every call was being made for the services to be in place in case anything went wrong and that the hon. member for North Douglas, had he been still with his union head on, would have been amongst those pressing for just such services to be in place?

A Member: Hear, hear.

Mr Karran: Vainstyr Loayreyder, I think the hon. member is right in his assessment of the situation.

Mr Quine: Could the hon. member tell me, what was the budgeted cost for the extra staff millennium cover for this period and, in relation to the actual cost, which he has advised us he has not got now - he does not have those figures yet - will he circulate to us the actual cost of that period of cover both in terms of personnel and expenditure, divided into managerial grades and other nursing supporting staff?

Mr Karran: Vainstyr Loayreyder, I will be happy to do that for the hon. member. I have actually said that I would like to see some sort of breakdown, but, as I said in the original question, people have the right to claim up to February 29th, so I need to get all the facts in and I am happy to have it circulated to hon. members, but I do have to say that the issue is that if it had gone the other way and I had not provided the staff, there would have been an awful situation and in this House (**Mr Gilbey:** Hear, hear.) there would be people complaining. Once again one is in a no-win position.

Mr Singer: Could I ask the hon. member, what greater proportion of what one might call normal nursing staff, were on duty this year than on a normal New Year or Christmas period, this year compared to previous years, and also what was the increase in the proportion of middle and senior managers who were on duty at this millennium rather than normal Christmas and New Year's period? And can he confirm whether managers were given what were called special millennium breakfast tickets and perhaps 60 of them took advantage and

were ordinary staff given the same facility or did they have to pay for theirs? (*Interjection and laughter*)

Mr Karran: Vainstyr Loayreyder, I will be happy to make sure that when we have all the payments in for February 29th we circulate members with all the details of what has been requested. As far as the breakfast is concerned, I do find it sometimes an impossible situation that I am accused of being a terrible employer and then, when we do do something, we get criticised for it, so we are damned if we do and we are damned if we do not! But I would say to the hon. member that the points that he raised in the first part of his question are legitimate points, and I will make sure that they will get the breakdown, but at the end of the day I was surprised with the situation over the services not being needed as much as they were. I thought that service managers were right to be cautious and I think, at the end of the day, it is very wise after the event.

Mr Cannell: Hear, Hear.

Bills for First Reading

The Speaker: We turn then, hon. members, to items 2 and 3 on our order paper and I call upon the Secretary to the House.

The Secretary: The Constitution Bill, Mr Cannell; the Retirement Benefits Schemes Bill, Mr Corkill.

The Speaker: Both Bills are for first reading, hon. members.

Employment (Sex Discrimination) Bill – Third Reading Approved

The Speaker: We then turn to item 4 on your order paper, the Employment (Sex Discrimination) Bill for third reading, and I call upon the hon. member for Rushen, Mrs Crowe.

Mrs Crowe: Thank you, Mr Speaker. May I say how pleased I am with the progress of the Sex Discrimination Bill and how proud I am to have been instrumental in the introduction of this legislation, which should be seen as providing a sound foundation on which to build the future development of a comprehensive framework of anti-discrimination legislation appropriate to the Island's needs.

I know we all recognise that labour is a valuable resource and both men and women must be given the chance to make a full contribution and reach their true potential. Equal opportunities are relevant to everyone's lives and are a key factor in a flourishing and competitive economy. Only by reinforcing this message can we ensure that we have a fully active labour market which is able to support the needs of business and the aspirations of our population. Members can be assured that the Department of Trade and Industry will do its part to make everyone aware of this legislation and the implications for them.

On passage of the Bill the next step will be to recruit a discrimination officer whose function will be to provide education and guidance to employers and to employees concerning the new legislation. There are also plans to bring occupational pensions fully within the scope of the new Bill through enactment of the equal treatment provisions.

The department intends to bring forward further proposals to address discrimination on grounds of race, disability, sexual orientation and age in employment, but before we do so we

will be seeking to establish the extent of such discrimination on the Isle of Man by inviting interested parties to let us have their views on these subjects.

Before closing I would like to advise the hon. members of one further matter relating to the sex discrimination Bill. At a previous reading it was recalled that we added a new clause, the purpose of which was to strengthen those provisions within the earlier Employment Act which relate to insolvency. As members will be aware, the Bill contains a three year deferral on most clauses and, as things stand, the deferral also relates to this new clause. Therefore the department will be seeking to move a new amendment in another place in order that these new provisions on insolvency can come into effect immediately upon the passage of the Bill.

Mr Speaker, I thank all members for their support and I beg to move that the Employment (Sex Discrimination) Bill be read for a third time. Thank you, Mr Speaker.

Sir Miles Walker: Mr Speaker, I am pleased to second my hon. colleague's resolution and just say that I support fully the provisions of this Bill. I believe that discrimination is something that society should not accept in this day and age. It is a pity we do have to legislate for it and I was interested to hear the hon. member say during her remarks that the department are going to look into other areas of discrimination to see whether or not it existed. I would have to say that, whether it exists or not, legislation is required in order that if it raises its head it can be nipped in the bud, sir, but I support this Bill in its entirety, sir, and look forward to seeing it on the statute books.

Mrs Hannan: Like the previous speaker I too welcome this legislation. I think it is a major step forward. I know it is something that the previous speaker had wanted to progress during his time as Chief Minister, but that was not possible because it has taken quite a long time to get this legislation to this stage, and I also congratulate the mover on bringing this legislation forward because I think it is something that many of us have wanted and looked forward to for a very long time. But also, like the previous speaker, I think whether people are prepared to come forward at this stage and say there is discrimination or not, which then relates to the department bringing forward legislation, is not the right way of going about it.

The government has decided that human rights legislation, the European Convention, will be incorporated into our law and therefore all aspects of discrimination should be done away with, and if it means introducing legislation to do that, that is what we should be doing. We should not be waiting for the courts or anyone else to tell us that we should be doing it, whether it is in any sort of aspect of life, whether it is relating to accommodation or work or whatever, or when it comes to age et cetera - Those sorts of discriminations. We should be looking at that; we should be forward-looking. We should be looking into the future to see what we should be doing to make it clear to people what is acceptable and what is not and not leaving it to the courts to decide for us as legislators that there should be a law on discrimination.

One thing that does concern me with regard to this piece of legislation is - and I come back to it again, I have mentioned it before - the church aspect. I would have thought that the church aspect with regard to equality and treating people the same and respecting people - that we would not be looking for an opt-out for the Church of England. However, they have, and we have accepted that there should be an opt-out for the Church of England when it comes to women, and I think that is to be regretted. I would have hoped that we could have

been all inclusive and that the church would have supported what the state is doing in this particular instance.

So I do welcome the legislation, but I do have concerns with what the mover said with regard to future discrimination, and I think we should be far-looking and we should accept that if we are going to introduce legislation which covers the European Convention we should be forward-looking, Vainstyr Loayreyder.

Mrs Cannell: Mr Speaker, I too rise to my feet in support of the third reading and would echo every sentiment expressed by the previous speaker, but I think it is important to put on record - and I believe it has been recorded before - that I do have concerns in relation to particular wording contained within this particular Bill. It has been subject to much debate and at clauses stage did undergo a number of amendments, and it is the amendments tying in with the Bill which is of concern to me. I worry that it may be a nightmare to administer and I acknowledge that the mover has indicated that now there is a further amendment required and it will be the Legislative Council that hopefully will sort that problem out. In fact, I hope that the Legislative Council go through the Bill line by line as we did in this House and, if there are unworkable parts of it, which I believe there are, they will seek to put that right. But, on the whole, in principle I welcome the fact that the Isle of Man is adopting such legislation and what I would like to see for the future, to put down a future marker, is legislation covering equal opportunities, because now we have sex discrimination once it has gone through its testing upstairs and has received Royal Assent, and I believe, hot on the heels of that, we should be looking at equal opportunities. It is no good having one without the other, but on the whole I support it.

Mr Henderson: Mr Speaker, as we know I do support this Bill and it is setting an important initiative for this Island and something that has been a long time in coming. But having said that, Mr Speaker, I will again draw to the hon. mover of this particular piece of legislation one or two drawbacks as I see them, and fundamental drawbacks that need to be examined in the progression of this legislation and hopefully within time we may well see some amendments coming or an additional piece of legislation to support it, and those would be that at the end of the day we can move a mound of this discrimination legislation, but it is left down to the employee to flag up whether they are being discriminated against or not. There is no other way of doing it. There is no other support for the employee who is suffering any form of discrimination within the workplace and at the end of the day they have to take on the onerous task of making an application to an industrial tribunal, which I have continually flagged up in this hon. House and in another place as to its considerable shortcomings and the problems that involves for one person trying virtually to apply to make a court case for themselves.

Further to that, Mr Speaker, the Bill allows for something called indirect discrimination, which can be justified and discrimination which can be justified by reason of the size and administrative resources of the organisation. That does leave a loophole for bad employment practice, and I think it is something I would like to hear the hon. member come back on to say that her department will be examining in the future.

Further to that, Mr Speaker, an employee who is discriminated against - at the end of the day the only thing that can happen to a bad employer is a maximum fine imposed by the Employment Tribunal, which is only £13,000. Now, in the UK that limit is removed and I would hope that that too is examined so as to discourage poor employment practice.

Also, Mr Speaker, the employee already disadvantaged with such a process is further disadvantaged because at present there is no right of recognition or representation within the workplace which would help and assist this Act, because it is not everyone who is able to know their rights within the workplace or know the right processes or procedures to go through, and rights to recognition and representation would go a great way to help this and assist this Bill in its passage, and that is something else I would make a call upon the hon. member to examine in future as we go down this road, Mr Speaker. But otherwise it is a first for the Island and it is something that is needed. Thank you.

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

Mrs Crowe: Thank you, Mr Speaker. I would like to thank my hon. colleague, Sir Miles, for seconding and supporting this legislation and I think I perhaps did not clearly enough explain to the House that we are currently working on the introduction of legislation. The point I made was that we would take into account people's views, but we are working upon the introduction of legislation to cover the other topics in the anti-discrimination field.

I thank the hon. member for Peel, Mrs Hannan, for her support also. I too, she knows, feel quite strongly about the church on the Island, but the actual Bill is about all organised religion and they are given an exemption. It is not just the Church of England that the exemption applies to.

I would also like to thank the hon. member for East Douglas, Mrs Cannell, who is actually a member of the Department of Trade and Industry and who actually brought forward the amendment to which she refers. There is only one amendment in this legislation that is totally workable and I think there might have been some misunderstanding with the Shops Bill in that particular mention. The Bill is about equal opportunities. The one amendment that was referred to is a Bill regarding insolvency and will be very simply rectified by removing the three-year deferral which unfortunately it left this House with, I hope.

I would also like to thank the hon. member for North Douglas, Mr Henderson, for his generous support of the Bill. I have already addressed the points he made during the debate at second reading. He mentions again the limit for payment. We closely examined the payments that were made in sex discrimination cases. The median payment made in these cases is £2,000 to £3,000. There are exceptions and I think we read in the media this week that there was an exception made, but I think the thorough examination we gave of the payment structure brought us to the fact that £13,000 was sufficient at this time, but of course can be reviewed at any time.

I was not sure who he suggested could complain if they felt they had been discriminated against, but an employee. I mean, there would be no other person to lodge a complaint, so quite clearly we need to educate all employees - and we will be doing this through the discrimination officers service - into their rights and how to bring about a complaint if they feel it is justified.

The case about employment tribunals which he has made before - I think the Minister for the Department of Trade and Industry has already said that a review will be taking place in time.

I think I have addressed all the issues that were raised, Mr Speaker, and once again I would like to thank the House for the support during the reading of what was quite an extensive Bill and to thank you, Mr Speaker, for its speedy progression. Thank you.

The Speaker: Hon. members, the motion is that printed at item 4 on your order paper, that the Employment (Sex Discrimination) Bill be read for the a third time. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Hon. members, before turning to item 5 on the order paper I would draw to your attention that for the first time this morning the House has been given the indication by the hon. member for Rushen, the member in charge of this Bill, that she as the mover is unhappy with the current legislation as we are moving it to the Legislative Council and possibly her department is unhappy with that legislation. The indication given, hon. members, is that we are anticipating that there will be an amendment moved in the Legislative Council. Hon. members, we passed this Bill at clauses stage on 7th December; it is 25th January, and no note had come to my office in any regard that there was any failing or anticipated failing in this Bill. I do wish, hon. members, that the House would see fit to try to make sure that legislation which passes from this chamber goes to the other House. Let them, if they see fit, bring forward amendments. We should have our work done within this chamber.

Members: Hear, hear.

Companies (Transfer of Functions) Bill – Council Amendment Agreed

The Speaker: We turn to item 5, hon. members, the Companies (Transfer of Functions) Bill for consideration of the Council amendment and I call upon the hon. member Mr Braidwood.

Mr Braidwood: Thank you, Mr Speaker. I am very pleased to move that an amendment, as printed, made to the Companies (Transfer of Functions) Bill by the Legislative Council be approved.

For the purpose of the Civil Service Act 1990, government bodies are split into two classes: firstly, departments and other bodies which are specified in the 1990 Act; those departments and bodies are staffed by civil servants. Secondly, other government bodies which are not staffed by civil servants, such as the Civil Service Commission and the Insurance and Pensions Authority. The Companies (Transfer of Functions) Bill transfers certain functions of the General Registry, which is staffed by civil servants, to the Financial Supervision Commission, which is not staffed by civil servants. As part of this transfer, a number of civil servants will be transferred, seconded to the registry on a transitional basis. Those civil servants will have the option of remaining within the civil service or of becoming employees of the Financial Supervision Commission. That will be achieved by agreement. Civil servants who, at the end of a transitional period, do not wish to stay in the registry as employees of the Financial Supervision Commission will be offered positions within the civil service. It was recently suggested that the Civil Service Commission did not have the power to second staff to a body such as the FSC even on a transitional basis. That argument is not entirely accepted, but it is clear that the powers of the Civil Service Commission should be clearer and it was for this reason the amendment was made.

The amendment to clause 2 and schedule 2 has the effect of adding a new subsection to section 3 of the Civil Service Act 1990. The subsection clarifies the power of the Civil Service Commission. It will permit the commission to make arrangements for the secondment of civil servants onto the staff of statutory boards which are not normally staffed by civil servants, such as the Financial Supervision Commission. The arrangements must be temporary and must be for periods not exceeding three years. In addition, the amendment will permit the Civil Service Commission to arrange for the secondment of civil servants with employers outside government but only with the consent of the officer concerned and then for not more than three years. The amendment is seen as complementing the current arrangements which are clearly permitted under the Civil Service Act 1990 under which non-civil servants can be seconded to departments or boards.

I beg to move that the amendment to clause 2 and schedule 2 stand part of this Bill.

Mr Corkill: I beg to second, Mr Speaker.

The Speaker: Hon. members, the motion is that printed at item 5 on your order paper. It is that the amendment made by the Council be accepted by the House. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Income Tax Bill – Second Reading Approved

The Speaker: We turn then, hon. members, to item 6 on your order paper, the Income Tax Bill for second reading, and again I call upon the hon. member for Onchan, Mr Corkill.

Mr Corkill: Thank you, Mr Speaker. The Income Tax Bill contains all the measures which were announced at the 1999 budget and which in the main are already enforced by way of temporary taxation orders. Only one clause - that is clause 11, relating to benefits in kind - is entirely new, and that relates to an anomaly associated with benefits in kind. Problems in drafting one of the clauses to which I shall refer later has delayed the introduction of the Bill.

Before going into any explanation about the provisions in the Bill, hon. members may find it useful to be reminded about the temporary taxation provisions set out in section 15 of the Income Tax Act 1995 which were used for the first time during the 1999 budget. Under those provisions Treasury may, with the approval of Tynwald, introduce new taxation measures by way of an order. Such an order has the same statutory effect as if contained in an Act of Tynwald. An order made under these provisions ceases to have effect after 12 months unless in that time a Bill confirming the order is read a second time by the House of Keys or a Bill is amended by the House of Keys so as to include provisions confirming the order. Provided this time limit is met, as I hope is the case today, the life of any order is extended to 24 months to allow time for the Bill to be enacted.

Returning to the Bill, it is in two parts and has one schedule. Part 1 contains the clauses for the three measures already in force and replaces and confirms the temporary taxation orders already approved by Tynwald. Part 2 contains two new measures. The schedule sets out consequential amendments.

With regard to part 1 of the Bill, the first of the measures already enforced is set out in chapter 1, clauses 1 to 3. Members will recall the response by the Council of Ministers to the review of financial regulation in the crown dependencies in which it was stated that there should be a moratorium on the creation of non-resident duty companies. This chapter

achieves that by providing for all companies incorporated in the Isle of Man to be deemed to be resident for Manx tax purposes, other than for companies which had filed a non-resident declaration on or before 5th April 1999. This effectively prevents the formation on or after 6th April 1999 of any new Isle of Man incorporated non-resident companies.

Chapter 2, clauses 4 to 6, contain the second of the measures already in force and provides for a reduced rate of tax of 15 per cent to apply to the whole or part of the first £100,000 of the profit of a trading company. It is a measure which has been introduced as a support for business against a background of falling worldwide corporate rates of tax. No changes have been made to the provisions set out in the temporary taxation order approved by Tynwald on 18th May 1999. Hon. members will recall that the order was introduced following a period of consultation during which the views of the business community were sought. The one point to note is that because of the problems associated with the backdating of legislation, chapter 2 only applies from 18th May 1999. The Treasury has agreed a concessionary practice for the period of 6th April 1999 to 17th May 1999 to enable the reduced rates to be applied to that part period of the tax year.

Chapter 3, clauses 7 to 8, set out the last of the existing measures and provides for an allowance for disabled persons, the purpose being to put all disabled persons on the same basis for taxation purposes as those who are partially-sighted or blind, for whom a blind person's allowance has been in force for many years. The legislation mirrors that set out in the temporary taxation order approved by Tynwald on 16th February 1999 and is effective from 6th April 1999. The confirmation required under the temporary taxation provision in the Income Tax Act 1995 is set out in chapter 4, clause 9.

Moving to part 2 of the Bill, the first of the other two measures provides for additional reliefs in respect of children and is set out in part 2, clause 10. This is achieved by replacing the existing relief for single parents contained in the existing section 39A of the Income Tax Act of 1970. Under the current provisions, an additional allowance is provided for single parents. It is conditional upon the claimant being granted one-parent benefit from the Department of Health and Social Security. Due to changes which have been made in the social security legislation which will eventually phase out one-parent benefit, this link is no longer appropriate. Modification to the existing schedule 39A is therefore required. In so doing, the opportunity is also being taken to cater for cohabiting couples with qualifying children who were previously barred from any relief. In future, the four new sections being introduced into the 1970 Income Tax Act will provide relief for single parents, schedule 39A, for cohabiting couples with children, schedule 39B, for part-years claims, schedule 39C, and for situations ancillary to those three situations, schedule 39D - for example, dual claims in respect of the same child.

Section 39A continues the existing additional allowance for single parents and covers the straightforward situation where you have a person who is single for the whole of an income tax year looking after a qualifying child for the whole or part of that year.

Section 39B extends the additional allowance to an unmarried couple who live together for the whole of an income tax year and who have one or more qualifying children living with them. Subject to certain adjustments, the amount of that deduction will be the unutilised personal allowance of either of the partners, or £5,035, whichever is the lower. In effect, but not in practice, the couple are being placed in a similar but not identical position to a married

couple, who may freely transfer any utilised personal allowances between them. What the legislation achieves is an additional deduction equal to the unutilised personal allowance provided the person who has the unutilised balance agrees to forgo any subsequent claim on that amount should his or her circumstances subsequently change.

Section 39C actually covers the third situation, where eligible persons may be living together for only part of the year, and provides for the additional allowance to be time-apportioned to reflect the period the parent is a single parent.

Section 39D contains provisions which are supplementary to the other three sections. 'Catered for' is the definition of a qualifying child, situations where a child lives for only part of the year with one parent and where there are dual claims. The intention to introduce this new approach was announced in the 1999 budget but it has caused some drafting problems in trying to ensure that married couples were not being disadvantaged by the measure and only genuine cases benefited. As a consequence, no temporary taxation order was introduced and the introduction of the Bill was delayed.

On the backdating principle, the primary legislation may only apply from 6th April 2000. The Treasury has therefore agreed to an extra-statutory concession applying it from 6th April 1999.

Clause 11 contains the last of the new measures and relates to benefits in kind. The policy has always been to tax benefits in kind under the specific legislation introduced for that purpose in 1989. An element of uncertainty has recently arisen over the taxation of such benefits on the holders of an office. In some instances an office-holder will have a contract of employment and in others they will not. This has cast some doubt as to the precise legislation under which a benefit falls to be charged. To remove this doubt a new section is to be inserted in the 1970 Act, making it clear that for the purposes of the benefit-in-kind provisions, employment includes all office-holders. There are three consequential amendments to existing legislation arising out of the lower rate of tax for companies and changes to the residence of companies which will need to be catered for, and these are set out in clause 12 and the schedule.

The Income Tax Bill contains a number of important measures not only for our business community but also, more importantly, for families and the disabled. It does seek to extend the concepts of fairness and consistency within the taxation system. There are no immediate manpower implications but the measures, as expected, reduce government revenue by £4.25 million.

I beg to move the second reading of the Income Tax Bill, Mr Speaker.

Sir Miles Walker: Mr Speaker, I beg to second and reserve my remarks.

Mr Karran: Vainstyr Loayreyder, I would just like to say and ask, whilst obviously one will not be objecting to this Bill as most of it is the effects of the previous budget and one understands that there has to be a balance between keeping ourselves sufficient as other jurisdictions have got lower tax levels of income tax and temporary taxation for companies I do find it rather disappointing that we have a situation here where we are giving a large amount of this money away to companies. I think there is balance. We have got to be effective and we have got to be in a position where we can compete but then to see in a previous debate in

another place that other forms of taxation on the less well-off are going to be brought in for rent increases and the like, I do think that it is rather sad that here we see the large amount of this money going away on company tax. Now, I understand there is an argument about being competitive and there has to be a balance, but there has to be some consistency and I do not think there is.

I personally am disappointed that the Minister for the Treasury, the chancellor of this country, has not looked at other ways of raising taxable income. I would have liked to see in this Bill some sort of doubling income tax from rent income; I would have liked to see some ways of trying to get speculation tax brought in which would work this time and not actually affect genuine people but the speculators that should be, and I am disappointed with this piece of legislation. Whilst I know that the majority has been done, here we have an issue where there are vast amounts of money being made and where we could be getting some more money in. It could be taxed abroad and helping the coffers of this government.

I also would like to ask the hon. member: one of the issues where I will be more interested in putting an amendment to this Bill is that for years I have fought to try and get certain benefits raised from social security level, such as TV licences and winter heating allowances, up to income tax level. Now, the argument has always been that it goes against the law. We cannot provide some sort of certificate or information in order that we can give a certificate to pensioners that they did not pay income tax in the previous year, and it cannot be done. If that is the case, I would be interested in the minister saying that is the case and then maybe we could put some sort of amendment to this Bill so that then at a future date we could maybe get the likes of certain benefits that I think should be above the social security level. I think it is quite immoral that we have a situation where people who have acted responsibly get a small occupational pension, lose 5 per cent of their wages for 20, 30 years in order to do so and end up getting penalised for acting responsibly. Obviously the minister knows that one is not going to vote against the Bill, but I do feel that these issues should be addressed.

The last issue I want an answer to before the clauses - and I do feel that this hon. House should be asking the hon. member - is, here is a way that a lot of money is being made at the moment as the property market has gone crazy, and I think we should be as keen to look at taxing those who have done well out of the increase in property prices and who are doing it for speculation purposes as they would be keen to try and penalise another minority who have not got the political clout, like persons who live in local authority houses.

So I do hope that the member will consider those points. I know there is a balance, we have to be competitive in a finance sector, but here we are giving millions away, and we are told in another breath we have got to do this and we have got to do that for another section of the population who live here, who work here and who are committed to this Island. I do think there is inconsistency and I would like the views of the mover on these points I have raised.

Mr Cannan: Mr Speaker, I welcome this Income Tax Bill and its provisions. I particularly welcome in chapter 1 that new non-resident companies are now going to be a thing of the past. The non-resident companies have been, to a certain extent, a millstone around the neck of the general good of the finance industry in the sense that there has been no control over them and, when scandals have arisen, it is generally found that they have originated from a non-resident company over which the Island has had no control whatsoever, and at last they are being reigned in at least - no new non-resident companies. What I would like to see to

finally kill off the non-resident companies is that the duty was so increased in the next budget or the following budget as to make them not worthwhile, and so we would have all resident companies in the Isle of Man abiding by the laws, rules and regulations of a company resident here. That chapter 1 of the Bill I welcome. I realise it is going to cost £2.3 million but it is a price worth paying for the good name of the finance sector.

Chapter 2 of the Bill - that too is welcome in that it gives companies trading in the Isle of Man on their first £100,000 of profit the lower rate of corporate taxation of 15 per cent.

Chapters 3 and 4, the disabled persons order and the order for allowances in respect of fully transferable allowances where people are not actually husband and wife but spouses living together - that too, I think, is fair and equitable.

So on the whole I welcome this Bill. It is a price particularly that I think we should pay in terms of government income because, as I understand it, government income from other sources is rising steadily with the benefits of a buoyant economy and full employment. I would say to the previous speaker, when saying that we are giving money away, that winding down non-resident companies is not giving money away; it is money that we are not receiving because we are closing a loophole in a part of the financial services industry which I believe brings no real credit to the Isle of Man.

Mrs Hannan: Vainstyr Loayreyder, as all these provisions are already in I suppose this is a good opportunity to tell the Treasury minister what we want for the next budget and what we would like to see. I think some of the comments made by the member for Onchan are quite apt in that respect. I do not go along with him that they should be introduced into this legislation. I think this time next year we would be looking for the introduction after they have been applied in the same way as this legislation.

However, I had thought that we had used a different definition for a child born outside marriage, but on page 11, clause 6(b) there is a term 'An illegitimate child if the claimant has married the other parent after the child's birth' and I would have thought that we had moved away from titles such as 'legitimate' or 'illegitimate' and I thought under some legislation we had that we had actually got a different term and I would hope that the Treasury will look at this and come back with a different term, as I believe that every child should be accepted as being of equal status with any other child and not legal or illegal, and therefore I would hope that the Treasury minister could see to altering that. But as all these issues are in being and this is just putting them into statute, I welcome the legislation.

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

Mr Corkill: Thank you, Mr Speaker, some interesting points and I was pleased that the hon. member, my colleague from Onchan, Mr Karran, has no broad objections for the Bill and feels able to support it. But quite soon after those comments he mentioned the issue about the support to small trading companies and this has been in force, as I and other speakers have made clear, throughout the financial year. It was a decision in the budget to support trading companies - not all companies, but trading companies that have a real presence, employ real people on the Island - to give them that tax incentive on the basis that although margins and trading maybe booming, a bottom line on trading accounts was getting harder, costs of employment were rising et cetera. Of course that is to the long-term benefit of the Island's

economy, and the Island, of course, traditionally has a bigger percentage of small companies when compared to the adjacent islands; we felt it was appropriate to do that.

The hon. member said that it was a shame to give all this money away to companies. The figures I mentioned did not all relate to companies; the costs of this Bill have already happened in effect, so that was why I have mentioned the figure but it was the estimated figure that happened. So the cost also relates to non-resident duty companies and the other aspects of the Bill; it was not just a matter of giving money away to business, but it was reducing the burden on business. Of course tax is just another overhead as far as business is concerned, an overhead to add to all the other costs, rising rents, rising wages et cetera.

Then the interesting point was perhaps really focused on the possibility of a speculation tax or to tax rental income from properties. Now, of course that rental income is already taxed under the normal income tax provisions, and I think the hon. member is saying it is not enough. I would suggest that that would lead to a rate of tax greater than 20 per cent if that was accepted by this hon. House and I think that would send out dreadful messages in terms of the structure of the Island's economy where we are quite clear that 20 per cent is the top rate of tax and that is a ceiling.

I understand the frustrations of the member with regard to the housing situation and I do not want, to in my remarks, turn it into a housing debate but obviously tax is a way of changing things, and I think the hon. member is saying that perhaps the income tax system could be used to improve the housing situation. I am not sure that by raising taxes in this particular situation that would actually achieve that, because as I see things at the moment the complete problem in my mind is a supply and demand situation, and so surely the more investment you get into actually building properties the quicker our problems will be resolved. But it was an interesting comment, and of course there is legislation already on the books which is in suspense, as it were, because speculation tax is not new and was applied to capital value increases some years ago but to no great benefit and the tax was avoided very easily, so I would urge caution in that respect.

I would thank the hon. member for Michael, Mr Cannan, for very strongly supporting the Bill and certainly his comments with regard to non-resident duty companies I have noted carefully, and I thank him for those comments.

He also made reference to the issue of equalising things with regard to non-married family units, as I would describe them. Certainly, since I have become Treasury minister I have had a number of complaints over the years of people who live in a stable family environment but choose not to be married whose children are effectively disadvantaged by the tax system. What we have tried to do is produce legislation, and this is where the drafting has been difficult because I was quite insistent that we did not in any way cause detriment to the normal traditional married family situation. The idea was to actually bring stability to a situation and I think the drafting has achieved that in the end but it only applies to the regular, traditional family situation that we understand in the normal married way of things. I have not explained that very well. The idea was to make sure that two people living as husband and wife effectively who are raising children in the normal way have the benefits of the tax system that those who choose to be married also enjoy, and I hope it has been done in such a way that it is of no detriment whatsoever.

So I thank the hon. member for his explanation about giving money away and I think that was quite a sensible point to make - that it is going to be money we do not receive rather than money we are going to give away, and his other expression 'credit to the Isle of Man'. So I thank Mr Cannan for those comments.

The hon. member for Peel, Mrs Hannan, has raised an issue with regard to terminology. Certainly, as far as I and I am sure all hon. members in this House are concerned, all children should have equal status, and all children do have equal status in my eyes, so it gets down to terminology. I suspect - and I will have to check up with regard to the answers - that this is an expression which is in other legislation and therefore mirrors those comments. Certainly, compared to legislation of many years ago the terminology is better and I will not use the word that used to be in legislation, but I understand the sensitivity that the hon. member raises with regard to the term 'illegitimate'. I will check out the reason why we use that expression in this Bill; I suspect it mirrors other legislation, but I will have that answer at the clauses stage should this House give second reading today. I thank members for their comments and I beg to move, Mr Speaker.

The Speaker: Hon. members, the motion is that the Income Tax Bill be now read for a second time. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Electronic Transactions Bill – Second Reading Approved

The Speaker: We turn then, hon. members, to item 7 on your order paper, the Electronic Transactions Bill, again for second reading, and I call upon the hon. member for Middle, Mr North.

Mr North: Thank you, Mr Speaker. The Electronic Transactions Bill is an extremely important item of legislation which is designed to encourage and facilitate the use of information technology in daily life. The introduction of such legislation is without any doubt absolutely essential to the future economic well-being of our Island, and I trust that members will recognise this and support the Bill before us today. The Bill is based on similar legislation introduced by the Federal Government of Australia in June 1999. The Australian Bill is in turn based on a model law issued by the UN Commission on International Trade.

The basic aim of the Bill is to remove all legal constraints and doubts affecting the use of electronic communications in commercial and other transactions and in dealing with public authorities. There are also provisions relating to service providers whose functions are increasingly important as electronic commerce develops. The Bill seeks to put electronic commerce and paper-based commercial transactions on the same legal footing and removes any legal impediments to the use of electronic communications with public authorities and others.

There are two fundamental principles underlying the proposals before us today: namely, media neutrality and technology neutrality. Media neutrality means that transactions conducted using paper documents and those using electronic communications should be treated equally by the law and that neither should be given any advantage over the other; thus, in future people will be able to use electronic communications to enter into transactions and thus satisfy their legal obligations just as adequately as if that transaction had been paper-based. 'Technology neutrality' means that the law should not discriminate between different forms of

technology - for example, by specifying technical requirements for the use of electronic communications that are based on an understanding of the operation of a particular form of electronic communication technology.

In summary, the Bill provides that in general any existing requirements in statute or common law for writing, signature, the production of documents or the retention of information can be satisfied by the use of an electronic communication containing the required information.

We have included provision for regulations to be made which could exempt particular legal requirements from that general rule where appropriate. Examples would be in relation to wills and cheques, which must continue to be in written form, and VAT rules as to the time and place of a transaction.

The Bill has undergone an extensive consultation process and many comments were received. The response was generally very positive and a number of changes have been made to the original proposals. In particular, the Bill has been extended to include two additional provisions not included in the Australian Bill. These relate to service providers.

The first will enable a voluntary system to be established by regulations for the approval of certification service providers, known as CSPs, and the function of the CSP is to provide a service issuing certificates to verify electronic signature, a coded message which purports to identify the person by whom an electronic communication is sent, thus making electronic commerce more secure and increasing consumer confidence.

The second clarifies the position of internet service providers, ISPs, and telecommunication system operators with regard to their electronic communications sent through them. It is proposed that ISPs should not be subject to criminal or civil liability in respect of such communications provided that they take appropriate action if the communications are brought to their notice, and they should not be required to monitor the content of communications sent through them.

We have sought to limit the scope of the Bill to basic principles and we have purposely avoided a heavy-handed approach. I would, however, point out that whilst the Bill in its present form is appropriate to the needs of the Island today, the pace of change of technology is rapid and new developments are coming on-stream daily. It is thus important that hon. members are aware that it is inevitable that further proposals for legislation in this area will be forthcoming possibly on a regular basis in future as and when appropriate.

All in all I believe that the Bill represents a practical and flexible approach to e-commerce legislation and one that will help to engender confidence and trust in the use of e-commerce in the Isle of Man. It will also place the Island as one of the first jurisdictions to have progressive e-commerce legislation actually in place. The Electronic Transactions Bill will, I believe, be of considerable help to existing businesses and it will present them with the opportunity to compete more effectively in global export markets. It will also support the work being undertaken to further diversify the Island's economy through the attraction of new inward investment. The Island is well placed to develop as an international centre for e-commerce given its excellent communications infrastructure and existing commercial skills base, and I believe that we have to send out a clear message that the Isle of Man is open for e-business.

Mr Speaker, I beg to move the second reading of the Electronic Transactions Bill 1999.

Mrs Crowe: Mr Speaker, I beg to second and reserve my remarks. Thank you.

Mr Cannell: Mr Speaker, the pace and the speed of development of this type of transaction, I am sure, to most people at the age they are in this House, even the youngest are absolutely amazed by the way it has taken off, the electronic method of communication, but I wonder if I am alone in my nervousness of seeing legislation put forward to enable virtually a sweeping launch of this type of technology to the Isle of Man. I do not do it out of a Luddite approach, though I suppose it must have been a similar situation when William Caxton first discussed printing with movable type and it was the end for the quill pen. We are not quite at the quill pen stage here but I still retain some kind of nervousness, as I say, about allowing such a sweeping change, because although I am all for it and I am doing my very best to cope with this new technology - no wizard by any means - at least I have got the basics and it is obvious, even to an old dodderer like me, that this is going to be absolutely the way forward and probably will never again revert to the system which we are using, and I look forward to the Isle of Man Government and all its many departments and committees actually looking at this and taking a positive step forward to the obvious savings which can be made in time and production of the many thousands of sheets of paper which we have in its printed form.

But I still, as I say, retain a certain nervousness and I do that for one reason: that is, when I read through responsible publications they are already beginning to pull back just a little on certain aspects of this, not least the transfer of money by electronic methods. We have heard of quite a few difficulties with shopping on the internet. We have heard of difficulties of banking transfers of money where, despite all the claims of extreme confidentiality, it has been possible for other people to access others' personal data. That is not good enough. I suppose it is because of the pace of the development which I alluded to at the beginning of this little speech.

So I do have some nervousness about it; I am sure that everybody does, and I am sure that those who advocate going all the way with electronic transfers probably are pushing the pace along for their own advantage. It is amazing to buy a piece of equipment which will accommodate this type of thing and to find that you have got to scrap it after about two years because it has been totally overtaken by development. Even the introduction of the biro did not quite do that, but I am sure the hon. minister will convince us that there is no option but for the Isle of Man to go forward in this and I would not like anybody to think that I am putting any problems, any rocks, in the way of progress, because always the Isle of Man, if it is to maintain its position as a finance sector. . . and I was very pleased the other night to go along to a major banking presentation, and for the gentleman who had come over to open the Royal Bank of Scotland, Lord Younger, to describe the Isle of Man as the world's best offshore finance centre. That, sir, is a credit to everyone who has participated in that. This probably maintains that, probably maintains the link with that and it will be another feather in our cap for the finance sector if we adopt this, but just let us be slightly nervous; there is no harm in that whatever. I think it is a good thing that occasionally you just step back and say, 'Do we want to go the whole way or do we just occasionally think, "Let us not throw all our lot in with this"?' I do not think there are many people here of our age would chance all of their hard-earned savings on just one press of a computer keyboard button. I know my modest savings would not be allowed to go that way - not yet; maybe, but I would need a bit more confidence to be

shown that the business I transact on my little computer or anything else like that is not becoming known to so many other people who have got no right whatever to have access to it.

Finally I would allude to a conversation I had at a departmental sub-committee the other day where I was talking of medical records, and I could not believe that the medical profession were telling me that there is no possibility ever - not just for a couple of years - of having the famous wad of notes which travel with you wherever you go in the Island as your medical notes, ever being allowed to be on computer, because these are so personal they have to travel with the person, they have to be presented, and this is the type of attitude we have to overcome. So you have got the hon. minister at the top end pressing forward, you have got Luddites at the bottom saying 'Never again. We will have card indexes for ever', and somewhere in the middle there is me just slightly nervous of pushing this along.

Mrs Cannell: Mr Speaker, I rise in support of this piece of legislation and, as a member of the Department of Trade and Industry, I recognise its importance in a global situation. I think it is a bold move that the department is making and that hopefully members will support today. It is a go-ahead approach, because if we do not support this type of industry then we could be ridiculed for having missed the boat some months or years later. We have to recognise that e-commerce is an industry now and is going to be even stronger in the future, and so therefore it is essential that the necessary legislation is laid down, the framework laid down, in order to cultivate and help this industry to grow, and help it to get stronger. The minister did say in his opening remarks that he feels that further legislation will be required in order to complete the basis of the legislation laid down in order to provide additions and changes as and when the industry is moving, and again I think that is an important step to recognise.

I hope members will support this legislation today and I hope it will be an unanimous decision, but just finally I would, in view of the comments made by the previous speaker, just like to ask the minister whether he thinks it is appropriate, perhaps, at this stage in considering this legislation to make it known, possibly, to members of this hon. House that we are as a department considering internet courses for post-30-year-olds and perhaps, with such courses in place for those of us who are post-30 in understanding the workings of computerisation, internet, e-commerce, everything else that is linked to electronics, they may well help instil a little bit more trust in hon. members here and also, of course, in members of the public who are not familiar with this type of industry. But I hope it gets a smooth passage and I hope members will support it unanimously.

Mr Shimmin: Mr Speaker, I too am strongly in support of this legislation coming forward today. I would like to pick up a number of points for the minister to answer either today or at another time. My involvement in this and the comments I have had with the minister do impress upon me the speed of introducing the opportunities for the businesses to have this information available and the legislation available. I am therefore somewhat concerned that the green paper before us has had over six months since I have had that and that we are now actually bringing it forward, so I would hope that the speed which is important, this now is the legislation as good as we can get and that it will move forward quickly, and that also applies to the appointed day order, so that on completion of this through the two Houses and the Royal Assent, whether the minister could comment as to whether it would be his view that the appointed day order would be sooner rather than later.

I do take notice of the member for Onchan Mr Cannell's comments and I believe that too is incumbent upon the minister or the Council of Ministers to educate the members here about the importance and the opportunities of this type of legislation. I am unaware as to whether I have actually missed a seminar briefing on this Bill. If there has not been one I do believe, if the minister is hoping to get strong support for this and further legislation, it is an area that many of us find ourselves uncomfortable in, particularly when rushing through or pushing through other legislation in the future; I do believe it would benefit the minister and the members were we to have some greater input, because at present there is much talk publicly on the Island and internationally regarding the opportunities of e-commerce, but to many members it is still an unknown opportunity as to where the revenue and the opportunities arise for the Isle of Man Government and the businesses on the Isle of Man. I therefore think it is incumbent upon the minister or, through his good service, to try and make us aware by the implications so that when he asks for our support we are there, able to confidently give support and to remove some of the nervousness expressed by Mr Cannell, which I believe is reflective of most people's views within this Court. Therefore I would urge the minister to educate us so that he can then rely more quickly upon our support rather than to leave us to make our own judgements. Thank you, Mr Speaker.

Mrs Hannan: Vainstyr Loayreyder, I can see in some ways that this legislation will open up different markets, different ways of relating, but it does also open up many difficulties. It is all very well to order something down the line and it is all very well to get it delivered, but if, as the mover is suggesting, this is really going to take off and other people are also suggesting this is really going to take off, everybody is going to be doing that, our whole way of life is going to change and it is not necessarily us here that are going to gain from that. It could be that we will all shop, if we all get onto the internet, from an international set-up (*Interjection*), and that might not be the British Isles; it might be the middle of Europe, it might be America or wherever. That obviously has got to be transported to wherever it is going to go to, but it is possible that we are going to lose some of the every day aspects of life such as high streets, such as everyday commerce.

Now, that is not going to happen overnight, but I think it is something that, while we might be welcoming it now, unless we set up the sort of initiatives to cope with some of these changes, we are actually going to lose out and it is going to be the big boys, you might say, or the big girls (**Mr Cretney:** Hear, hear.) that are going to gain from it. If somebody deals in e-commerce and it is with America, in some instances all people's funds have been removed while they have given their information on a charge-card, and it is only when they have been told by somebody, 'You have got no money left' that your money has gone, and it is very difficult then to get it back. These are some of the problems of using e-commerce.

With regard to individuals and information held by individuals, to get that information on the internet we all know that very clever people can hack and get that information on you. So that also needs to be taken into account. The hon. member for Onchan mentioned medical records, but some of these medical records go back 100 years. We have people still living who are 100 years old, and if you are going to start, from now, putting everybody on disc or at least the disc travelling round with them, you have to know exactly what system is going to be in use in the future, and I think, as the hon. member for Onchan said, the system changes and is upgraded. So all of this has to be taken into account as well.

On a more parochial matter, I would like to ask the mover if such things as elections, registering for a proxy vote or a postal vote can be registered on e-data, whether that can be recognised. I am assuming that there would have to be different legislation introduced for that, or would it come under the Electronics Transactions Bill? There are also other aspects of registering people's thoughts in the future because we are not just talking about commerce; we are talking about people in the future possibly sitting in front of the screen for most of the time not conversing with an awful lot of people except via the screen and wanting to put in their two-pennyworth maybe to us.

Mr Singer: Mr Speaker, I think we have to face the fact that electronic transactions such as shopping will go on with or without an Isle of Man Bill, and therefore if we want to take part we do need to join and ensure that we get our fair share of the commerce that is going through at any particular time.

I think there are worries whether, when one sees what is called a secure service, it is or is not secure and I am sure there will be a lot of advancement taking place within a short time to ensure that these transactions are secure.

If I could ask the hon. minister about clause 10, clause 10 absolves an internet service provider from criminal and civil liability for material carried subject to certain conditions. What I would ask him is whether he is satisfied that the conditions are stringent enough, because there is no doubt - and we have had examples of it recently - that offensive criminal material is carried through the internet service. Now, if an Isle of Man internet service provider is carrying that material, what action can be taken against him? Certainly the absolving of his responsibility seems to be quite wide in this Bill, and I would like to hear from the minister whether it can be toughened up to make sure that the internet service provider does not have an easy excuse of 'Well, I didn't know this was being carried,' and that it is a duty on him to make sure that this sort of material is not being sent from the Isle of Man. It is a big business, apparently it is billions and billions of pounds, but as in the finance industry we talk about certain money that we do not want in this Island, I do not think we want money coming into this Island from that sort of provision. So I would ask the minister whether he could look at the situation of putting more responsibility onto a Manx internet service provider to discourage them accepting and transmitting that sort of material from anywhere on this Island. Thank you.

Mr Cannan: Mr Speaker, for the second time this morning I welcome this piece of legislation. It is very necessary. Though we live on an Island we all know that there is now globalisation of the economy and the Island needs to be in the forefront of international services and business if we are to survive and maintain what we have already achieved. We cannot afford to slip back or seem to be in decline, and that is why I welcome it. We must be in the forefront. It is going on all around us. Some of us here may not understand it, but I can assure you as a member of the Department of Education that our schools are being provided with a full range of computer information technology studies and that the young people understand these things. Our young people who are at university chat to each other across the United Kingdom by e-mail. If we have a young grown-up family you will find most of them have e-mail addresses, and the economic affairs department informs me that there are in excess of 8,000 connections to the internet in the Isle of Man. The internet service providers have indicated there are more than 8,000 internet connections. There are 32,000 or 33,000 households in the Isle of Man and, whilst many of the internet connections are with business,

a very large number are also now part of the households in the Isle of Man. It is going to advance and advance very fast, but a university student knew about this five years ago and what they know now is so far advanced that it is difficult to comprehend.

So I welcome this Bill. The Isle of Man has to be in the forefront of it. It obviously has to take care that it is not misused, but let us go forward; let us not hesitate; let us be seen to be in the forefront and, just to digress slightly, I saw on television some nights ago that Tesco are introducing internet or e-commerce shopping. I just wonder whether they will have e-commerce shopping when they establish in Douglas -

A Member: Yes, they said they will.

Mr Cretney: They will send you a paper.

Mr Cannan: I understand it is in the paper today so I (*Interjections*), but I wish on that point that this House came up to date because, whilst the heading of this Bill is 'Electronic Transactions', perhaps we could have electronic transaction in our voting (**Members:** Hear, hear.), so that all members would be voting simultaneously instead of a roll call where those at the end of the roll are busy making up their minds seeing how the voting is going -

Mr Cretney: Who is at the end?

Mr Cannan: - so that the people who vote first are actually voting whereas those who are voting last have had time to reflect on how the vote is going.

Mr Corkill: Give Walter a break!

Mr Cannan: Give Walter a break! (*Laughter*) Let us not only have electronic transactions in e-commerce, in e-mail but let us in this House itself move forward and have electronic transactions in our voting. Thank you.

Mr Henderson: Mr Speaker, I rise to wholeheartedly support this Bill. It gives me great pleasure to do so as well because I have highlighted it in the past on several occasions to questions to the hon. minister in another place, as I see it as vitally important to this Island. The Island is an island, and if we are going to progress anywhere we have got to develop niche markets and we have also got to ensure we have the best of communication systems in place to ensure we are not disadvantaged in any way because of our island status. To do both there is no question that we have to progress the Electronic Transactions Bill and more legislation like it and supplementary legislation and whatever else we can do, because this is one area which I believe we can excel at and need to progress with all haste.

It has been said that our lives will be changed and this will happen and that will happen when this comes in. Well, I have got news for this hon. House: it is already here. It is already in use in all the financial institutions throughout Douglas that I am aware of. Between themselves on the internet, between office to office, offices to England and large fund transfers and evaluations and so on; it is already here. How can we continue to plough along in the horse and cart when everyone else is now jumping into the nearest Porsche? We have to wake up some time.

There has been mention of nervousness. Well, yes, I suppose you could be nervous at the pace of change that is going on with the new technology, and I can accept that. But I cannot accept a nervousness that is going to hinder it either. We have got to get going on this

one; in all honesty, it is the way forward. Everywhere else is plugged into this technology now. Business is being done and, as the hon. member for Ramsey said, it is not just any business, it is billions and billions and billions of dollars' worth of investments going on.

Now then, we come to the problems. I notice we had disk problems from the hon. member for Peel. With most machines disk transfer is no problem, and that is not a real issue. What is the issue here is that we recognise that there is something really tangible that we could progress, be at the forefront of and for once take the initiative and go ahead and actually embrace this. The nervousness about disclosure of information - that happens now. There is credit card fraud, there are letters swapped in the post, people get the wrong mail and statements are opened. I have done it myself - ripped a letter open, not thinking to check the address on the front, it has been pushed through my letter box by accident and I have thought, 'Oh goodness, this is somebody's bank statement,' parcelled it up and sent it back. It is not mine. That happens now, it is going to happen in the future, and it will happen to this. New technology will always have the odd hiccup until it is ironed out and I do not think that is any reason to say that we should just ignore it; that is ridiculous.

Now, the hon. member for Michael indicated the education system. We are at the forefront of information communication technology here on the Island, certainly in the UK with the way we are progressing it within our schools, and we should be justifiably proud of that. If we think about it, hon. members, our children now can plug into the internet, pull any amount of information off it - from geography, history, languages, even electronics - to help them and assist them with their education programmes and progress their degrees across the water and, just by way of interest, you can even have e-tutors on board and e-mail your tutorials and your assignments. Also, if technology allows a child to actually speak to his or her computer and dictate an essay on to that and be able to do all the things that you can edit up on, then I think we should not slow this progress one bit.

I have to fully concur with the member for Michael's comments: we should be on electronic voting in this House and another place. All members should have laptop computers to progress issues on and there should be connections into the members' rooms upstairs from the Chief Minister's office so that we can get away from this endless mound of paper and progress towards something more modern, (*Mr Cannell interjecting*) and I think the faster we can do that the better. So without any more, I fully support the Bill.

Mr Quine: Well, I suppose I come in the post-30s sort of bracket, Mr Speaker. (*Laughter*)

Mrs Crowe: The '70s! (*Interjection and laughter*)

Mr Quine: But it is true, when I started school we had a slate board and a piece of chalk.

Members: Ah!

Mr Brown: They stayed at home still.

Mr Quine: Yes.

No, I recognise that this is the era that we are in and I congratulate the department for moving forward and getting off the mark. I have no problem with that, but I do not think, in our euphoria to say, 'We're in here quick, aren't we good?', that we should overlook that in many ways the critical part of this Bill is going to be the bye-laws which are made under clause 8. I would like the minister, when he responds, to give us further and better particulars of what his

research to date has indicated in respect of (a), (b) and (c) - that is, a requirement so specified, a permission so specified or a statutory provision of rule of law so specified, because it is around these elements that this will either work or it will not work. After all, he has to date only referred to the very limited experience in Australia, so I would like him to do two things for me when he responds: first of all, to indicate to us what other jurisdictions beyond Australia are working with this; and, more particularly, to try to put some meat on the bone in terms of his research so far for (a), (b) and (c), because there is no doubt, with this type of technology or science, whatever you wish to call it, there are going to be very distinct problems with certain legal instruments, unless they are exempted under clause 8 - and he has indicated just two at the moment that could be exempted - there is going to be a major problem with fraud, there is no doubt about that, and certainly I can see that it is going to be welcomed by the advocates of the Isle of Man because it is going to be an absolute money-spinner in terms of litigation. It is going to be a nice little money-spinner. There will be litigation going around right, left and centre.

So fine, we are right to be in here early, absolutely full marks to the department, but do not get carried away with all this euphoria; let us get back and come up with a workable system and recognise the exposure which we could be subjected to unless we get the by-laws under clause 8 properly struck, because I can quite clearly see the scope here for fraud, for endless litigation unless we get it right. So full marks to the department, fine. We are right to be in there and we are right to be pushing this out, but do not get carried away yet until we strike the balance properly.

Sir Miles Walker: Mr Speaker, I rise, like other members, to support this Bill and welcome the fact it has been brought forward by the minister and the department. It is, though, just one part of the network of the building of e-commerce, and I suppose the foundation of that building has to be in the infrastructure that we do have in place through Manx Telecom, and I think we should be pleased - yes, we know - that some of our competitors do not have the infrastructure that this Island does, so that gives us a start. We know that there are many professionals out there in the private sector and within government offices who are right up to date with e-commerce and this moving electronic world. We know that the private sector, and again the government machine, has invested an immense amount of money in 'gadgetry' that is absolutely necessary and we should applaud them for that. This piece of legislation, I think, is the first piece of legislation that we have had to look at to try and put into statute some of the requirements of this change in commerce. The hon. member for Peel is absolutely right when she talks about the changes that will take place. We are in fact, I think, part way into a revolution and the world for us older people will never, I guess, be the same again. The amount of commerce that is actually taking place at this time electronically is mind-blowing and the way that it is expanding, I think, is something that many of us just cannot contemplate.

So we are right in bringing forward this legislation and I am one who can only put my trust in the department in hoping that it is the right legislation that they have brought forward. The minister told us it was based on the Australian model; that is interesting and it seems to be a move away from our usual stance of looking to see what our near neighbours are doing and then copying. It would be interesting to know the reasons for that. I am aware of some of them, I think, but it would be nice to have them on record.

Mr Cannan: Fertilisation of the economy.

Sir Miles Walker: It is interesting in part 2: we know that this is Manx legislation and will apply to people here in the Isle of Man but will not apply to people on the other end of the - I was going to say 'wire' but the wires are disappearing now! - on the other end of the message.

Mr Henderson: Fibre optics.

Sir Miles Walker: In clause 4, 'If a statutory provision or rule of law requires a person to give information in writing, that requirement is taken to have been met if he gives the information by means of an electronic communication where the conditions in subsection (3) are fulfilled.' Now, that is fine and that applies to the Isle of Man.

The interesting thing for me - and I think I am going along the same lines as the hon. member for Ayre when he made his remarks - is, what about the people we are communicating with? How far has this network of legislation been put into place worldwide? And is it being put into place in a similar way that this piece of legislation puts into place on this Island? And again, the hon. member for Ayre talked about the regulations that need to be made in due course and he is absolutely right; I mean, much of the body, the working of this Bill will be in regulations. And I would be interested to know, how far advanced are those regulations? And I am delighted if the minister is holding them up, which he appeared to be, because it seems to me we have got to get on with this, and it is rather nice to know that that package of measures is in fact there if that is the case.

So, as far as legislation is concerned we seem to be doing the right thing. We know the private sector are investing vast amounts of money and expertise and so on into this field. It is absolutely necessary. We know that that the professionals within government have done that as well. We know that Jersey say they want to be the e-commerce centre of the offshore islands, we know that Guernsey have similar aspirations. It has been said that the Isle of Man is going to be the centre of e-commerce. We cannot all be. It seems to me that one of the things we will need if we are to drive our situation forward - as we have to do, otherwise we will be left behind - is to put in post a dedicated individual, perhaps on contract for two or three years, who really knows where this Island has got to place itself, who can guide us, post-30s - that is very kind! - as legislators and who can co-ordinate, perhaps, some of the efforts of the private sector and can communicate between the private sector, government and the legislators, and I think, unless we put a person into that sort of post we will be left behind and I do not believe that this Island can be left behind.

I am pleased to support the Bill but recognise it is only one of those building blocks in the castle to which I have referred. Thank you, sir.

Mr Downie: Mr Speaker, I rise to support the Bill but there are one or two points I want to raise. Fully supportive of the technology being a business-based element which has now grown and become a tool for an individual, but what I am concerned about is whether there is a proper regulatory regime which can be applied to the service providers, and the example I am going to give is where a person may be able to either hack into a system or there is a problem over goods not being supplied or money being taken from an account.

Recently this Island has had a great deal of difficulty dealing with offences which may have happened here or in another place. We have had committees set up to do with summary jurisdiction and judgement and basically, when it comes to the rule of law, unless there is a

particular convention or an agreement in place between two or three countries it is very, very difficult to pursue a problem when something arises.

Now, I do not know and, having read the Bill, I am not sure whether there will be a body where a person can bring a complaint, and what worries me is, if we progress that fast that people are setting up on the internet, they are making purchases and then there are problems, by the time the problem is identified, that source could be eliminated.

In the Bill, reference is made to some degree of onus falling on the corporate service provider, but things may expand that quick and get beyond that so that other people have the opportunity of putting an office in, say, over a weekend where maybe you cannot get your corporate service provider if there is a problem.

I know these questions may be premature at this stage, but I think what we have got to try and do is to reassure people that the safeguards are going to be in place. I still feel, although I welcome the technology, that there will still be banks and major institutions who will make money by providing the old-fashioned user-friendly face-to-face system that people still want. People still like to go into a bank and talk to people and have advice about investments. We are not all whiz-kids and I think that there has to be a balance here.

But I welcome the Bill; I would like to think that the Isle of Man would be out there at the forefront and possibly ahead of all the others, but I think really we need some assurance that there are going to be proper safeguards in place here, and it will be interesting to know what safeguards they have got in Australia. I have recently installed a system at home and I have bought one or two things over the internet recently, and it is interesting to see how easy it is, but if it went wrong I just have not got a clue how I would go to try and find a remedy or to seek a satisfactory resolution. Thank you, Mr Speaker.

Mrs Crowe: Mr Speaker, my hon. colleague from Rushen made mention that we are part way through a revolution. We are not; the revolution has happened. This Christmas saw an explosion in shopping on the internet, and the hon. member from West Douglas, Mr Downie, made comment about who would enforce or even regulate sales of goods and services on the internet. That would be a straightforward case of trading standards investigating sales of goods and services. It does not matter over what medium that takes place - through the newspaper, the internet or whatever. So there is consumer protection already in place in that system. The well-known food retailer that the hon. member for Michael referred to, Mr Cannan - it is commonplace now in cities throughout the adjacent island for food retailers to provide that service. Consumers now use 'from mouse to house', and the revolution is now in place. All e-business is here to stay, but we have to be prepared for all its implications, especially regarding consumer protection for all sections of e-business, not just for sales of goods and services, and I would like to ask this House to support what is an essential first step forward in e-business legislation for the Isle of Man, and it is an appropriate first step forward that we are making at this time, and I would ask that we all support this Bill.

Several Members: Hear, hear.

Mr Rodan: Mr Speaker, I do not think anybody in the House or in business in the Island needs reminding that commercial business will gravitate and cluster wherever the regulatory and legislative environment is most favourable, and what we are talking about this morning, of course, is acknowledging the changes in technology, acknowledging the way commerce has

followed on behind and that there are two things, really, there is a necessity and there is an opportunity for the Isle of Man here. There is a necessity for us to pass this legislation because, if we do not, we shall surely be left behind and other jurisdictions like the Channel Islands as referred to will fill the void.

Now, business also at the moment is such that there are areas of complexity that are giving real difficulty to those engaged in business. There are possible legislative and regulatory voids to be filled and there is a question of legal security and safety in carrying out commercial transactions. In the field of electronic transactions it is particularly felt that unless there is a legislative safety net in place in the jurisdiction where the commerce is taking place, actually commerce and business will be deterred from taking place. Now, the whole essence of this Bill, of course, and this legislation is summed up in clause 1, and that is as it says, that it provides generally that transactions conducted by electronic means are as valid as those conducted by ordinary means.

The hon. member for Ayre, I think, was quite right to point out that we have the potential of a legal minefield with this legislation, but we have potential legal minefields at the moment, because electronics business is taking place at the moment without the necessary legislative framework to give the security to business in our case in the Isle of Man, so the sooner this is in the better. Now associated with all this, of course, there must be a nervousness, and members have referred to a fear of the unknown and those of us having difficulty grasping the new technology but, as others have correctly pointed out, if there is a problem with older generations, let us say, there is certainly not going to be that problem with the younger generation coming up because of the deliberate investment by the Isle of Man Government in electronic education in young people. I do not want to repeat what has been said about that but to point out that there also exists in the Isle of Man the opportunity to be a centre of excellence in electronic commerce to the extent that we have in the pipeline, as members are aware, an international business school which will have as a component part a specialism in electronic commerce and best commercial practice in electronic transactions. So not only will we actually have a centre here which will address a lot of the problems that business will have to get to grips with - the legal, the commercial ones, fiscal ones are under electronic transactions - but we will have an opportunity here actually to have a certain eminence in electronic business and be able to train people in best practice and attract people to the Isle of Man to the business school. This is a facility that will keep us one step ahead of competitors, as Sir Miles referred to in the Channel Islands.

But there is no doubt that there is an absolute necessity for this legislation to enable the present legal void to be filled and its present inefficiencies to be filled whereby electronic business has to have in its wake a paper chase of confirmatory documentations and signatures following on through the mail system. This will put that in the past and it will also create great opportunities for business and business education in particular.

The Speaker: Hon. members, can I call upon the hon. member for Middle to reply to the debate?

Members: Hear, hear.

Mr Cretney: Please do!

Mr North: Thank you, Mr Speaker. First of all could I thank all the members that have spoken with the enthusiasm and support for the Bill that I hoped would be forthcoming. I am sure that none of us in here underestimate the importance of e-business. I know it is very difficult to understand a lot of it and, if I could just give you some example of the speed of e-business that has become the benchmark throughout the industry and with all the top five accountants, they realise that what took seven years previously now has to take one year; what took seven months, in other words, has to take one month. That is the sort of speed that we have to look at - frightening to a lot of people who are not actually involved. The comments that have been made during the debate were extremely interesting; a lot of them came up during the consultation, and if I could just say once again that the Bill is aimed at making media and technology neutral.

There were some very good points made, one by the hon. member for Ayre on exemptions, and certainly we have regulations ready, there will be exemptions that have been considered. I am not saying, hon. members, that everything in this Bill is the be-all and end-all; it is the start, it is a base from which to work. This Bill will enable us to make changes, if they are necessary, and add to the Bill through regulations over the forthcoming months and years, and, yes, the hon. member for Ayre questioned, what would be excluded? Things like a marriage, a mortgage or a charge of land, grant of power of attorney, a bill of exchange. But contracts will be able to be exchanged over the internet, because there is software - again, the lawyers will have to make sure that they have the right software - which using encryption that can verify that the other end has received it, and also, when you get it back on the internet, that original document, because of an encryption key, cannot be altered by the other party at the other end. Now, I do not want to go and get too technical, but it is covered in any country wherever at the other end, but the law is as per the Isle of Man. In other words, if it was done now under the law of the Isle of Man, it will be done on the internet under the law of the Isle of Man.

Now, if I could just go through and try and answer the points made, the hon. member for Onchan, Mr Cannell - 'a sweeping change,' he said, and 'very nervous.' Yes, and a lot of people are concerned about credit card fraud now, and it is no less important to secure it on the internet. Encryption will be the key to working on the internet and getting it right, and we have got some very interesting people who major in encryption on the Isle of Man.

He was worried about the transfer of money on the net. Could I just say to him that I understand what he is talking about but, for instance, in Finland - and we are by no means at the forefront here, we are really trying to run and keep up with what is actually going on - of a population of 5 million, 1.5 million people bank on the internet; that is how far behind we are. Thirty per cent of the population bank on the internet. In Iceland the percentage of the population that regularly uses the internet is 60 per cent. Why is that?

Mr Downie: The weather. *(Other interjections and laughter)*

Mr North: The hon. Minister for Agriculture and Fisheries says something to do with the weather - well, that may well be, but they had the foresight there to put the money into education a long, long time ago and that is why the whole of Scandinavia is way ahead of the rest of Europe. Some of the countries are very, very much behind. France, for instance, is in the dark ages in the internet, partly because of their type of law, and several of the members really commented on this.

I will just finish off on Mr Cannell's point of talking to the doctors on medical records - well, yes I am sure that they do feel like that and they obviously have some ostriches or dinosaurs in that profession as well.

Members : Hear, hear.

Mrs Hannan: And in ours.

Mr North: And in ours, absolutely! We are no different to the large majority, except that I am hoping that if we all get behind, e-business, we can actually have an opportunity of being one of the leaders. Nobody will be the leader, but the big thing is in e-business it does not really matter where you are in the world; that is the big advantage.

The one point that the hon. member for Rushen, Sir Miles, asked about was the UK. Well, the UK, quite honestly, has fuffed around for several years now, and quite recently they have done a 180 degree turn. They are now on the same course as we are on. Their problem is that business has lost confidence in what the United Kingdom Government is doing with the internet. Business has lost confidence in what the politicians are doing in terms of legislation with e-commerce, and we need on the Isle of Man to really work with. . . We have got some fantastic entrepreneurs here on the Isle of Man. The things that are going on in terms of e-business are tremendous, and we should really support them as much as we possibly can.

The member for West Douglas, Mr Shimmin, asked about the appointed day order. I am hoping we have the regulations drafted; the Electronic Transactions (General Exclusions) Regulations 2000 are ready to go as soon as the appointed day order is through, and we hope to keep moving with this, because certainly our competition, Jersey - their States voted at the end of last year to put their legislation at the top of their list of priority and push it through as fast as possible and that they are doing. Many, many other jurisdictions have been claiming to be the leaders in e-commerce, but when you actually start checking as to what they have actually got in place it is not there. There is a lot of talk and a lot of legislation that is not there, but it will be very quickly, and as soon as our legislation goes through, just as we copied part of the Australian legislation, others will be copying ours and I am sure that is bound to happen.

Mrs Hannan had an excellent point, that we might not gain in the Isle of Man and it would lose on the high street. I am sure that is something that we have to be well aware of in the future, because it is going to change; there are going to be some new names trading and supplying goods to the Isle of Man, people we have never heard of before now. A lot of the household names are going to disappear totally because a lot of their management -

A Member: Moochers.

Mr North: I am sure Moochers will still be here. (**Mr Cretney:** Hear, hear.) (*Laughter and interjections*)

Mr Corkill: Moochers.com.

Mr North: In fact, that has a good ring about it, doesn't it - 'Moochers.com'? Yes. (*Laughter and interjection*) A lot of the household names will disappear and largely the reason they will disappear is because the management, those people who are leaving those companies, have got their heads in the sand. The internet is not really for them; it is not going to happen. Well, some of them are now starting to find out just the dangers by ignoring it.

I have to say also Mrs Hannan raised another point about elections and proxy vote. Can I tell you that I was reading a survey a few weeks ago about who in the world was ahead in terms of planning and foresight as far as the internet is concerned. It was very interesting. Countries from Japan, Singapore, US - who was the leader? Ireland, because they were installing interactive television, where you will be able to sit in your chair at home and you will be able to vote on a particular topic or subject that is being debated there and then on the television and you will get a result - interactive instant, and Ireland is the only one who has got ahead and really is planning it.

Mr Downie: And someone must be paying for it.

Mr North: Mr Singer asked about absolving the ISPs - again, a very difficult one. We have put this in because an internet service provider cannot possibly watch every page that is suddenly created on their site, and as far as they are concerned, just as the other businesses do now in banks and insurance companies, you have to do due diligence with checking on the actual client or customer that the ISP is taking, and what the Bill allows for is that as soon as somebody points out that something on the web is libelous they have to immediately remove it, and then it is a criminal offence if they do not do so.

Mr Cannan - I thank him for his support, and the Department of Education certainly are getting behind e-commerce and really putting a lot of money, thanks to government, into e-commerce and we hope that we can continue to work closely together.

The hon. member for East Douglas, Mrs Cannell, mentioned about training. Yes I have asked for some training to be instigated for, I had indicated, 40 to 60-year-olds. She is going down to 30-year-olds which is bringing it down nearer to her age. (**Members:** Oh!) (*Laughter and interjections*) But we do need to make sure. Age Concern have run some excellent courses and continue to do so. The Transport and General Workers Union here on the Island have a room full of terminals and their members can go and use it. What I want to see is - a lot of people who work in the finance sector even have never been on the internet - that we have available a course that they can take, and I hope that we will be able to put one on within government for hon. members of Tynwald to be able to see and use the depth of use of the internet. I know a lot of you are now signing on to the internet but there are tremendous uses that probably a lot of you have not seen as yet.

I think we have gone through and hope that I have covered all the points. I would just once again heartily thank everybody for their support and hope that you will give this Bill your support. Thank you.

The Speaker: Hon. members, the motion is that printed at item 7 on your order paper, that the Electronic Transactions Bill be now read for a second time. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Hon. members, that concludes the business on the order paper this morning. Before we do depart I would tell the hon. House that I have noted the comments made by the hon. member, Mr Cannan, and the hon. member for Douglas North in relation to procedures in front of this House. The relevant committee has in the past looked at electronic voting, I will make sure that they again look at that procedure. (**Mr Cannan:** Hear, hear.) (*Other interjections*)

Our next formal sitting will be Tuesday next, 1st February, but I would remind this hon. House that there is a special sitting of Tynwald Court this afternoon at 2.30. Thank you, hon. members.

The House adjourned at 12.15 p.m.