

**REPORT OF PROCEEDINGS OF
HOUSE OF KEYS**

**Douglas, Wednesday, 2nd May 2001
at 2.30 p.m.**

Present:

The Speaker (Hon J D Q Cannan) (Michael); Mr L I Singer and Hon A R Bell (Ramsey); Mr R E Quine OBE (Ayre); 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); 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 and Mr J Rimington (Rushen); with Mr R B M Quayle, Acting Secretary of the House.

The Chaplain took the prayers.

Apologies for Absence

The Speaker: Hon. members, I have an apology from the hon. member for Douglas South, Mr Cretney.

Civil Jurisdiction Bill — Consideration of Clauses Adjourned

The Speaker: Hon. members will recall that at the completion of yesterday's business we were at item 16, the Civil Jurisdiction Bill, and there was a motion moved and seconded for an adjournment. Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker. I would just like to say in respect of the adjournment debate, there were one or two concerns raised yesterday and I just want to read a very, very short passage out which may help to allay some of the fears that certain members might have: 'Despite the title of this particular Bill it is not to be confused with a Bill which the House discharged in 1982. The 1982 civil jurisdiction and judgments Bill sought to implement the Brussels Convention on Jurisdiction and Judgments between the Member States of the European Communities. The current Bill before members does not seek nor provide power to implement that convention. It does not apply, nor in fact, is it now possible to have that convention extended to the Isle of Man. That convention is to be replaced by an EC Council regulation, which will not apply to the Isle of Man.' I hope that clarifies one of the queries.

But in speaking to the adjournment debate specifically and feeling somewhat in a charitable mood, Mr Speaker, I am quite happy if the hon. member for Rushen, Mrs Crowe, is concerned that somebody may not have had the opportunity to comment on the Bill to actually support the adjournment for one week only, and that is with the assurance that it could be reintroduced on the agenda for the next sitting of the House of Keys. Having discussed the issue with the hon. Chief Minister, I am aware that the Chamber of Commerce are to meet either today or tomorrow to actually consider the implications or otherwise of the provisions contained within this particular Bill, and therefore I think it is only appropriate that we give them a little bit more time to possibly have some input. But just before taking my seat can I just say to hon. members, the Isle of Man Law Society have been consulted fully throughout the drafting of this legislation and they are perfectly happy with it. Thank you, Mr Speaker.

The Speaker: Mr Rimington.

Mr Rimington: Thank you, Mr Speaker. As far as I understand, though I stand to be contradicted, the Law Society's consultation was not of that depth and was only in terms of their minor consultation terms of the drafting of the Bill -

Mrs Cannell: Yes.

Mr Rimington: - not the wide consultation that should take place. Now, there may well be differences between this and the previous Bill in 1982, but that is not evident to members and that Bill was discharged and that was of a select committee of this House. I think this is a very serious issue and I feel extreme discomfort if it goes on, even just one week, if we do not have that proper process of consultation throughout the industry which took place belatedly when the issue came up before, and I think it is fair to read out some of the pertinent points from this particular select committee report which I believe all members should avail themselves of and read. 'It is clearly a complex Bill with far-reaching consequences, which will require -

Mrs Cannell: Mr Speaker, a point of order, sir.

The Speaker: Yes.

Mrs Cannell: I have just clarified the 1982 select committee report and the findings of that particular legislation. The hon. member, I believe, is wasting the time of this hon. House. It was discharged.

The Speaker: Hon. member, please carry on. You have five minutes. We are in an adjournment motion, Mr Rimington.

Mr Rimington: Right. It is an extremely complex matter; the issues in there are complex. I feel that I am not in a position where I can judge clearly the difference between the previous legislation and this legislation. The Law Society at that time were very upset with the way the manner of consultation took place; not only that, but so were many other professional bodies, including the accountants, the chartered secretaries and particularly the Chamber of Commerce, which made a very long submission, details of which are in this report.

I think I will just read out one small passage if you like, and this is going back to their presentation from an advocate. 'The Chamber finds itself opposing the introduction of a Bill which is apparently born in the ether and for which to date no-one has assumed responsibility. The proper course would have been to provide the general public with a full explanation of the legislators' intentions. It is apparent from the reported speeches of the hon. members in the House at that time at the clauses stage of the Bill that even members may not have been clear as to the impact of their legislative intentions.

Mrs Crowe: Exactly.

Mr Rimington: And that is the important point, Mr Speaker and hon. members. We are linking Isle of Man law with European law. It is an extremely difficult and complex area and we are in danger of rushing into it. An adjournment debate for one week is the barest minimum, Mr Speaker.

The Speaker: Chief Minister.

Mr Gelling: Mr Speaker, I thought adjourning this particular Bill until next week might have saved us getting into a long (**Members:** Hear, hear.) drawn-out adjournment debate, but I cannot allow the statement to be made that the Law Society only gave comment. I have only this very morning spoken to a council member of the Law Society where this was presented by their legislative division to the full Law Society and agreed. That is from the Law Society, so it was not a scant appraisal of the situation. However, we must emphasise again that the 1991 was seeking to extend an EC directive which the Attorney-General of the day said at that time it would have been of great advantage to us to do, seeing we were in the international world of business and it was, as far as he was concerned, a great disappointment when it was discharged.

This Bill is nothing of the kind. we have lost that opportunity. That opportunity has gone. This amends the 1968 Isle of Man Act because that is the only thing that is open to us now. So, as I say, Mr Speaker, I am quite content, I have spoken with the mover of the Bill, we will leave it for a week, we will get a presentation for members to go along, and we will get the Attorney-General to explain the situation, because it is quite obvious that members have not got the actual emphasis on what this Bill does, sir.

The Speaker: Mr Henderson.

Mr Henderson: Thank you, Mr Speaker. In speaking to this adjournment debate I would just like to register my complete and utter disgust at the fashion in which it is determined why we are here this afternoon. I have never heard so much hot air and filibustering in trying to manipulate this situation. We are clearly talking about two different issues -

Mrs Crowe: Dear, dear, dear!

Mr Henderson: - and I do not think that we should be here -!

Mrs Crowe: Excuse me -

The Speaker: Hon. member?

Mrs Crowe: A point of order, Mr Speaker.

Mr Speaker: What is your point of order?

Mrs Crowe: I raised this adjournment debate because I wanted a matter of explanation and clarification, and for that reason only -

The Speaker: That is correct.

Mrs Crowe: - and it was nothing to do with filibustering or any other -

The Speaker: Hon. member, please take your seat. This debate is conducted in accordance with the standing orders. Mr Henderson.

Mr Henderson: Thank you, Mr Speaker. I am concerned -

The Speaker: It is being conducted in accordance with standing orders, Mr Henderson.

Mr Henderson: Yes, Mr Speaker. I was about to say that although concerns have been raised with this Bill and the understanding and the complexities of it, I am given to understand that the hon. member who is raising the most concerns has not even entered into conference with the hon. member who is moving the Bill. Also my understanding is that this Bill is as the Chief Minister has illustrated, and I think we should just get on with it, Mr Speaker.

Mr Houghton: Hear, hear. Vote!

Mrs Crowe: The expert in European law.

The Speaker: Hon. members, Mrs Crowe to respond to the adjournment debate.

Mrs Crowe: Thank you, Mr Speaker. I am most grateful that the mover of the Bill, who I have tried to contact. . . and indeed this whole matter has been raised very quickly. I tried to get a copy of the 1933 Bill which relates to this. It is out of print in the United Kingdom. It only arrived on my desk this morning at 11 o'clock. I was only concerned with small claims courts; I did not realise until I contacted legal advice that it concerns all courts and there are serious implications for the Isle of Man.

Mr Speaker, all I was seeking was a matter of clarification. A presentation of this Bill should have been already with us. The Bill was late in coming to us. I received the Bill actually prior to the second reading. I did raise concerns at the second reading. These were not addressed. I am perfectly happy. . . and I must also comment that everything that was contained as recommendations for a due process regarding a similar Bill was blatantly disregarded - no detail briefing paper to members, which was recommended, no consultation with the Isle of Man Society of Chartered Accountants, no consultation with the Certified Secretaries and no consultation with the Law Society, although I believe they did comment on the technical and drafting matters contained in the Bill.

However, those were the only points I wish to make. I wished for clarification, I am quite delighted that the hon. mover of the Bill has afforded us all - many of you may be experts in

European law, but I am certainly not and I do think that we do need to be afforded - the clarification of how this will affect the citizens and indeed the companies on the Isle of Man in regard to practices in European courts. That is all I wished for, I am delighted that that opportunity has been afforded to us and I do hope that all members will attend, and I hope the societies that I have mentioned will respond to members if they have any concerns in that short time. Thank you, Mr Speaker.

The Speaker: Hon. members, the motion before you is that consideration of the clauses of the Civil Jurisdiction Bill be adjourned. Will those in favour please say aye; against, no. The ayes have it. The ayes have it. I will use my discretion and put this matter on the agenda for the next sitting of this House.

A Member: Hear, hear.

Interception of Communications (No. 2) Bill — Clauses Considered

The Speaker: Item number 17, the Interception of Communications (No. 2) Bill for consideration of clauses. The hon. member for Ramsey, Mr Bell.

Mr Bell: Thank you, Mr Speaker. Clause 1 substitutes a new section 3 in the Interception of Communications Act 1988. Section 3 deals with the scope of a warrant issued by the Chief Minister authorising the interception of mail or telephone communications. At present a warrant must usually specify an address to or from which mail or communications may be sent and the interception is restricted to communications to or from that address, which may be a postal address or a telecommunication address - that is, a phone number. In addition, the warrant must specify either a particular person or particular premises, communications to or from whom or to or from which are likely to go via that address. Under the new section 3 a particular address need not be specified. The warrant need only specify a particular person to or from whom, or particular premises to or from which, communications are likely to be sent. This enables communications to or from a particular person or premises to be intercepted where they are sent by either a mobile phone or cordless telephone, even when the phone number is unknown as may be the case where a Pronto Go mobile is used. However, the communications to be intercepted must be described by reference to particular factors - for example, names, postal addresses or phone numbers - and cannot just be in general terms.

Section 3, sub-clause (1) lays down the new rule that the warrant normally has to name or describe a particular person or premises and requires the interception of mail or other communications which are likely to be or to include communications to or from that person or those premises.

Section 3, sub-clause (2) requires the warrant to describe the communications to be intercepted by reference to particular factors specified in the warrant - for example, particular addresses, phone numbers or apparatus. So a warrant to intercept mobile phone calls by or to a particular person cannot authorise the interception of all phone calls on the Island. It must be limited to calls to particular numbers or to any Pronto Go phone issued between particular dates.

Section 3, sub-clause (3) excludes the rules in sub-clauses (1) and (2) in the case of communications to or from places outside the British Islands where they need to be examined, but this exception only applies where the Chief Minister gives a certificate specifying the kinds of material which need to be examined and certifying that the examination is necessary in the interests of national security or for the purpose of preventing or detecting serious crime. This substantially repeats the existing exception in section 3, sub-clause (2).

Section 3, sub-clause (4) ensures that the exclusion in sub-clause (3) cannot be used to bypass the restrictions in sub-clauses (1) and (2). The Chief Minister's certificate cannot describe the material to be examined by reference to a particular person who is known to be in the British Islands. There is one exception to this: communications to or from abroad can be intercepted for

up to three months to catch material sent to or from a particular person in the British Islands as an anti-terrorism measure only.

Section 3, sub-clause (5) requires a certificate to be actually signed by the Chief Minister. He cannot delegate his powers to anyone else. However, the Minister for Home Affairs acts for the Chief Minister if he is ill, absent or unable to act. I beg to move that clause 1 stand part of the Bill, Mr Speaker.

The Speaker: Mr Duggan.

Mr Duggan: I second, Mr Speaker.

The Speaker: Mrs Hannan.

Mrs Hannan: Can I ask the mover, Vainstyr Loayreyder, if one did not know the phone number of a Pronto Go phone how would the phone be intercepted? It seems strange to make a comment on that. There are very many mobile phones now, but the comment was made about the Pronto Go, not knowing the number but being able to intercept a call from it. Could I also ask, is it just the British Islands for the detection of acts of terrorism? It is in (4)(a) that 'the Chief Minister considers that examination of material selected according to factors referable to that person is necessary for the purpose of preventing or detecting acts of terrorism.' So is it just the British Islands when it comes to terrorism? I know in the United Kingdom they have actually broadened the reference to terrorism to include further afield, or is that covered by legislation either in the UK or in Eire? I am not sure why it should be just that part in sub-clause (4). Thank you, Vainstyr Loayreyder.

The Speaker: Mr Bell to respond.

Mr Bell: I am sorry, Mr Speaker, I did not entirely hear what the hon. questioner was saying in the second question. Could she just repeat that?

The Speaker: Mrs Hannan.

Mrs Hannan: The first part of the question was Pronto Go, how would you know the number? The second part of the question was in regard to sub-clause (4) where it says 'A certificate shall not name or describe a person who is known for the time being in the British Islands for the purpose of including in the specified descriptions. . .' and it goes on that 'the Chief Minister considers the examination of material. . . for the purpose of preventing or detecting acts of terrorism'. What I was asking was, is it just British Islands terrorism? What sort of terrorism in the British Islands because in the British Islands, especially in the UK, the reference to terrorism is much wider now than it was before, where it was just Irish. Our Prevention of Terrorism Act tends to be geared towards Ireland. Is this taking in the situation with the change of the law in the UK? And if it is outside the UK or outside the British Islands, is it the UK that then intercepts communications coming into the UK from outside that area?

The Speaker: Mr Bell to respond.

Mr Bell: Mr Speaker, the first question is, how do we know the Pronto number? I cannot give the hon. member a technical explanation, but I can assure the hon. member that this can be identified and it can be monitored.

As far as the second point of her question is concerned, the clause largely relates to terrorism within the British Islands, and I understand that that definition is identified in the Prevention of Terrorism Act and those are the guidelines accordingly. There are exemptions which can be made to monitoring calls from outside of the British Islands, but they have to be for specific acts of terrorism which will be identified to the Chief Minister, and it is up to the Chief Minister to issue an exemption to the general legislation to enable that to happen, Mr Speaker.

The Speaker: Hon. members, the motion before the House is that clause 1 stand part of the Bill. Will all those in favour please say aye; against, no. The ayes have it. The ayes have it. Clause 2, sir.

Mr Bell: Clause 2, Mr Speaker, introduces the schedule, which makes minor amendments to the 1988 Act. Paragraphs 1(3)(a) part of (4), part of 5(a), (6)(b) and part of (8)(a) add references to communications by a courier service to references to communications by post to ensure that letters sent by courier can be intercepted in the same way as letters sent by post. Part of paragraphs 4, 5(a) and (c) and paragraph 6(c), 7 and 8(a) in part are consequential on the renaming of the Isle of Man Post Office Authority as the Isle of Man Post Office. Paragraphs 2, 3(b) and 6(a) are consequential on clause 1 and paragraph 8(b) deletes a spent amendment. I beg to move clause 2 stand part of the Bill, Mr Speaker.

The Speaker: Mr Duggan.

Mr Duggan: I beg to second, Mr Speaker.

The Speaker: Hon. members, the motion is that clause 2 stand part of the Bill. Will all those in favour please say aye; against, no. The ayes have it. The ayes have it. Clause 3, sir.

Mr Bell: Clause 3, Mr Speaker, gives the Bill its short title. The Bill will come into force immediately on Royal Assent being announced to Tynwald. I beg to move.

Mr Duggan: I beg to second, sir.

The Speaker: Mr Duggan.

The Speaker: Hon. members, the motion is that clause 3 stand part of the Bill. Will all those in favour please say aye; against, no. The ayes have it. The ayes have it. That completes the clauses stage of the Interception of Communications (No. 2) Bill.

Electricity (Amendment) Bill — Clauses Considered

The Speaker: We now move to item 18 on our agenda, the Electricity (Amendment) Bill for consideration of clauses. The hon. member for Middle, Mr North.

Mr North: Thank you, Mr Speaker. First of all could I apologise to the House for not being present for the second reading and thank the hon. member for Rushen, Mrs Crowe, for taking the second reading on what is a very small, but very vital Bill. I would also like to thank those hon. members who spoke; I have read the unedited transcript of the second reading in that and I think some very interesting points were made.

Clause 1 of this Bill, as hon. members know, inserts a new section 15A into the Electricity Act 1996 to give the Manx Electricity Authority express powers to lay gas pipes with ancillary apparatus to carry gas to its power stations and also to lay at the same time gas supply pipes or conduits for electricity and telecom cables. The principal effect of this is to give the MEA the power to acquire compulsorily either the land in which the pipes are to be laid or the legal rights to lay the pipes in that land, but without ownership of the land. This is because the MEA has power to acquire land compulsorily for the purpose of any of its functions under the Statutory Boards Act 1987, schedule 2, paragraph 7, and make the laying of such pipes a function of the MEA automatically gives it that power for that purpose. The clause does not give the MEA power to supply gas or to lay electricity and telecom cables in the land. The commercial and legal framework under which the MEA might supply gas to consumers or to other gas suppliers is still being worked out. It will be able to place electric lines in the conduits, but only in accordance with the code in schedule 2 to the Electricity Act 1996, which includes power to acquire compulsory wayleaves in terms set by the Department of Trade and Industry. A licensed telecommunications operator has powers to place telecommunications apparatus in or over land under schedule 1 to the Telecommunications Act 1984 if it is applied to the operator by the terms of his licence. These also include power to acquire compulsory wayleaves.

Section 1(a) gives the MEA three separate powers: (a) to place gas pipes and associated works and apparatus in land for the purpose of supplying gas to any of its generating stations and to repair, alter or remove them; (b) to place other apparatus in land with the above pipes et cetera,

but not otherwise, vis-à-vis gas supply pipes and associated works and apparatus, (ii) conduits for electricity cables and associated apparatus, and (iii) conduits for telecom apparatus and to repair, alter or remove them. This is to enable the corridor for the main gas pipe to be used for gas supply pipes, electricity and telecom cables without having to dig more than once. And (c) to put the pipes et cetera in (a) and (b) under roads and for that purpose to carry out road works subject to the ordinary rules applying to statutory undertakers in the Road Works Code in the Highways Act 1986, schedule 4, which involves notice to the Department of Transport and protection for the apparatus and rights of other operators, 5 below as to rights relating to other operator's apparatus. note also that structures in highways - for instance, manholes, inspection chambers - require DoT consent.

Section 15A(2) makes it clear that the power to place pipes et cetera in land other than in a highway can only be exercised if the land belongs to the MEA or it has acquired a legal right over the land for the purpose. If terms for the acquisition of land or rights cannot be agreed, the MEA can be authorised to acquire the land or rights compulsorily by resolution of Tynwald subject to payment of compensation based on the market value. For other procedures and rules relating to compulsory acquisition, reference to the Acquisition of Land Act 1984.

Section 15A(3) enables the MEA to give a certain leeway in the position of the gas pipes et cetera if it has to acquire land or rights compulsorily. The plan showing the land to be required or over which rights are to be required can show limits of deviation up to 50 metres on either side of the line of the works. The MEA is allowed to acquire land or rights to lay the pipes anywhere within those limits if a slight diversion from the planned route is needed to avoid, for instance, a geological formation.

Section 15A(4) places the MEA under a legal duty to ensure that any pipes or apparatus in a highway are not a danger to the public.

Section 15A(5) incorporates provisions of schedule 2 of the 1996 Act relating to the respective rights of the MEA and gas and water suppliers, sewerage authorities and telecom operations in relation to apparatus laid in highways. Paragraph 2 allows the MEA to carry out alterations to other operations' apparatus subject to certain safeguards. Paragraph 3 gives other operators similar rights in relation to the MEA's apparatus.

Section 15A(6) provides that where the consent of the Department of Transport is required to any structure - for instance, an inspection chamber in a highway - under (1)(c)(v) above the consent is not to be unreasonably withheld and disputes are to be settled by arbitration.

Section 15A(7) saves the requirement for a works authorisation of the Department of Transport for any submarine pipeline and makes it clear that the gas in the pipes allowed by 1(a) is for the MEA's own use only and is not for general supply. The commercial and legal framework under which the MEA might supply gas to consumers or to other suppliers is still being worked on.

Section 15A(8) provides definitions of terms used in the clause and Mr Speaker, I beg to move that clause 1 stand part of the Bill.

Mr Speaker: Mrs Crowe.

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

The Speaker: Mr Shimmin.

Mr Shimmin: Thank you, Mr Speaker. The legislative draftsman has identified an error when this Bill was being drafted and the amendment is proposed to rectify the situation so the appropriate piece of legislation is referred to in this Bill. I beg to move, sir:

Page 3, line 11, for "Petroleum and Submarine Pipe-lines Act 1975" substitute "Petroleum Act 1998".

Mr Downie: I rise to second, Mr Speaker.

The Speaker: Mr Duggan.

Mr Duggan: Thank you, Mr Speaker. I welcome this Bill, because for years we have had problems with asthma amongst my constituents with four tonnes plus of sulphur dioxide a day. The cable and also the gas turbines can only improve the environment and I think it is great. It will lessen the black oil being used, which causes the sulphur dioxide emissions. What I would like to ask the minister is, will this take the load eventually of Peel and will they also get a better environment?

The Speaker: Mrs Hannan.

Mrs Hannan: Thank you, Vainstyr Loayreyder. Could I ask the mover, under 15A(1)(c)(ii) where it says 'open and break up any sewers, drains or tunnels in or under any highway or bridge;' I wonder why we are giving someone the position whereby they can do that. It is all very well putting it back together again, but does someone from the sewerage department, the drainage department or whatever have to be in position when that is being put back together again? Presumably this is putting it that they can break it up to take it through, but then would have to replace it with something else. Or is it just that it is there and it is not used any more? I do not quite understand why that is.

Could I also ask - and it is a point that I raised during the second reading - about the pressure of the gas; I know it is different pressures in different places, but under a roadway could it be at very high pressure or would the pressure have been reduced by that time? I was criticised during the second reading because I was told that it would not be anywhere near roads, but of course it has got to go near roads and that is why this part of the legislation is one of the main parts of the legislation, being able to do this and putting things right. So could I just ask about the pressure of the gas? Obviously when it comes in it is then reduced in pressure but it is still a reasonably high pressure until it gets to the power station, I would have thought, and then if it is going to go anywhere else it will be at a lower pressure, but could I just ask - under the road? Thank you, Vainstyr Loayreyder. I think the mover understands what I am on about.

The Speaker: Before I call Mr Cannell, can I remind the hon. members for North Douglas of Standing Order 31 - no conversations during debate. It is getting out of hand. Mr Cannell.

Mr Cannell: Yes, Mr Speaker, just a brief point for the hon. minister who now has taken the Bill through. Although he says he has read the *Hansard*, if he was very closely reading it he would have observed that I think I was a little bit premature in welcoming the possible arrival of cheap domestic gas, (*Laughter*) but I did hear him hint that somewhere along the way the scheme was still being worked upon for its commercial ramifications and I hope that will be given equal prominence to the speed that this Bill is attaining, and that in fact not only are we going to have gas supplied to the power station so ultimately the consumers of the Isle of Man will benefit for the production of their electricity at reduced prices, but that they will, with all due endeavour, actually keep the pressure on - if that is not too much of a pun - to actually achieve what the Island is crying out for, which is cheap commercial domestic gas supplies to keep their appliances going, and in fact by whatever means that commercial arrangement can be furthered, even if it goes to the extreme and the MEA ultimately become responsible for gas supplies. It is done elsewhere; there does not seem be any practicable reason why it should not be done here, if indeed the commercial arrangement is such that an agreement cannot be reached with the present suppliers.

The Speaker: Mr North to respond.

Mr North: Yes, thank you, Mr Speaker, and can I thank those hon. members who have spoken and thank Mr Duggan for his comments on that matter. I am sure the point that he makes about Peel - certainly the long term for Peel, I think, will become fairly obvious to members by the strategy that this will enable.

The hon. member for Peel actually raised a very good question about the pressure of the gas. I am not an expert on this but I obviously have had several discussions with the MEA and, as I

remember it, yes, she is quite absolutely correct: it will have to cross obviously under roads. Now, there is a very detailed code of practice for the laying of gas pipelines, and the pressure of those gas pipelines depends on the width of the pipe itself that is laid and reinforced. Obviously these are very, very strong pipes. The approximate intention is that if it comes in on the west coast, it will come in at something like 150 bar, which is a high pressure. It will come down when it comes ashore, it will be reduced to 70 bar to pass through from the west coast through to Douglas, which is still a very high pressure. Alongside that will be laid, which will relate to future metropolitan sort of network that is being envisaged, and that will be at 4 bar, and that will be in the same trench, but the code of practice, certainly as the hon. member for Peel has a question, if it goes under the road, as far as I understand it, the actual specification of the pipe anywhere in that area immediately goes up quite dramatically as opposed to laying it across a field, obviously. And it is an international code that will be followed by whoever is laying that.

Subject to the Works Road Code - as far as I understand it we have to be subject to the provisions of Road Works Code. From memory, all the statutory authorities have to follow a particular code and which is, I think, laid down by the DoT as to how anything can be handled, and of course opening and breaking up any sewers, drains, as she said there, obviously has to be carried out under any code that is laid down by the department. I think all that that is really saying: that you cannot just do anything; it has to follow the code laid down.

As far as the hon. member for Onchan, Mr Cannell, is concerned, yes, just to make it absolutely clear, hon. members, the Council of Ministers has agreed that a draft Bill be started, and it will be a gas supply Bill. Unfortunately it was going to take several weeks; it has quite a lot more implications, and I think the hon. member for Castletown, Mr Brown, was very keen on this, but to have drawn that up at this stage and brought this legislation through to enable the pipeline, there just was not enough time, but there is a bill in draft form, it has gone into next year's legislative programme for this hon. House, and that will then allow, hopefully, subject to the new House after November, the MEA to certainly, the intention at this stage is to wholesale the gas and put in pipes around the Island, but it is not at this stage, and that is not the intention to retail gas because we already have a distribution system, but the intention is to bring ashore natural gas at a price that will be highly advantageous, not only to the MEA but to, I believe, Manx Gas and to anybody else who would want to use it, and that is the intention: to make sure that the price of natural gas coming into the Island will be dramatically lower than is being paid now. Now, how that will all pan out and which organisation, whether it is the MEA or others, will be for another House to decide. The easiest way, I would suggest, probably would be under a formula. The main thing is that the basic product coming onto the Island is at a price that everyone I think will be very pleased with.

So, just to reiterate very briefly, the only need for the urgency of this particular Bill is to enable the MEA to be able to commit themselves to providing gas at Pulrose for October next year. That is the only intention of this Bill. The other matters will be discussed by a future House of Keys and other branches and this is just purely to enable the MEA to continue their negotiations and commit themselves to this particular works project. I beg to move, Mr Speaker.

The Speaker: Hon. members, the motion is that clause 1 stand part of the Bill, and to that I have the amendment standing in the name of the hon. member for Douglas, Mr Shimmin. All those in favour of the amendment please say aye; against, no. The ayes have it. The ayes have it. Clause 1 as amended. All those in favour please say aye; against, no. The ayes have it. The ayes have it. Clause 2, sir.

Mr North: Mr Speaker, this clause gives the Bill its short title and I beg to move.

The Speaker: Mrs Crowe.

Mrs Crowe: I beg to second, Mr Speaker.

The Speaker: The motion is that clause 2 stand part of the Bill. All those in favour please say aye; against, no. The ayes have it. The ayes have it. That is the Electricity (Amendment) Bill consideration of clauses completed.

Procedural — Standing Orders Suspended

The Speaker: I now move to item 19, Council of Ministers Bill, the second reading, Mr Rodan.

Mr Rodan: Mr Speaker, I wonder if under Standing Order 37.2 I might move that item 20 on the order paper be taken ahead of item number 19. As the mover of both Bills I do feel that item 20, which is of some considerable importance to the bank concerned - unless second reading is obtained at this sitting considerable difficulties will ensue in ensuring the passage of the legislation, which is a matter of some commercial importance to the bank. Anticipating that debate on item 20 will be somewhat shorter than the resumed debate on item 19, I would simply ask the House if it would grant the favour of reversing the order of these items.

Messrs Houghton and Henderson: I beg to second.

The Speaker: Hon. members, the motion is that standing orders be suspended for consideration of item 20. All those in favour please say aye; against, no. The ayes have it. The ayes have it.

Royal Bank of Scotland International Limited Bill — Second Reading Approved

The Speaker: Item 20, Royal Bank of Scotland International Limited Bill for second reading. Mr Rodan.

Mr Rodan: Thank you, Mr Speaker, I would like to thank the members of the House for their helpfulness on this occasion. I thank them similarly for granting leave to introduce this particular private Bill which is promoted by the Royal Bank of Scotland International Limited, and I thank members for allowing its first reading earlier in April.

The intention of the Bill is to transfer to the Royal Bank of Scotland International Limited certain of the businesses of NatWest Offshore Limited, also the banking business of Coutts (Isle of Man) Limited. Hon. members will be aware that the Royal Bank of Scotland International and NatWest Offshore are now both members of the Royal Bank of Scotland group of companies following the Royal Bank of Scotland's acquisition of National Westminster Bank plc in March last year. NatWest Offshore is an Isle of Man-incorporated bank with branches in Jersey, Guernsey, Isle of Man and Gibraltar. It also trades in the Isle of Man as Isle of Man Bank and it is the note issuer in the Isle of Man. The Royal Bank of Scotland International is a Jersey-incorporated bank which has branches in each of Jersey, Guernsey and the Isle of Man. NatWest Offshore is also the parent company of a number of Coutts offshore subsidiaries, some of which also hold banking licences in the jurisdiction in which they operate, although they are primarily trust and investment management businesses.

For some months now the Royal Bank of Scotland Group has been developing a new structure to simplify current operating mechanisms and to maximise the advantages from both of these companies now being part of the Royal Bank of Scotland Group. The proposal of the bank is that the banking business of NatWest Offshore that is conducted in the name of NatWest in Jersey, Guernsey, Isle of Man and Gibraltar is transferred through private legislation passed in each of those four jurisdictions to the Royal Bank of Scotland International. The enlarged Royal Bank of Scotland International will, however, continue to operate in each of those jurisdictions using NatWest as a trading name as well as continuing its existing business as Royal Bank of Scotland International. NatWest Offshore will retain all the business presently conducted by it under the name of Isle of Man Bank, and NatWest Offshore will change its name to Isle of Man Bank Limited and will therefore continue to trade in the Isle of Man as 'Isle of Man Bank'. Isle of Man Bank is, of course, currently a trading name of NatWest Offshore. It is proposed however that the Coutts (Isle of Man) banking business is also transferred from Coutts (Isle of Man) to Royal Bank of Scotland

International by virtue of the private legislation currently before us. Thereafter, in the Isle of Man, Royal Bank of Scotland International will also trade under the name 'Coutts' in relation to that particular business.

To progress the transfer in the Isle of Man and in the other jurisdictions it is not possible to do this without legislation. The alternative would have been to contact all the customers of NatWest Offshore Limited wherever they live, or wherever they are incorporated, to move their accounts as all customers would have to consent in writing to the transfer of their accounts, and this is not practicable.

The Bill, as drafted, details the issues involved in the merger of the three distinct business entities operating on the Island but having the same overall parent company and covers all the legal statutory matters consequent upon the merger that require to be taken into consideration. Similar legislation is being introduced in the Channel Islands and Gibraltar to reflect the acquisition of the businesses of NatWest Offshore Limited in those jurisdictions.

This Bill has been drawn to reflect, as far as possible, the draft legislation being introduced in Jersey, Gibraltar and Guernsey as it was the wish of the Royal Bank of Scotland International to have the wording standardised.

The whole of the NatWest acquisition has been based on the growth potential of all the component companies within the enlarged group. As I have mentioned, the banking business of NatWest Offshore, carried on in the Isle of Man under the brand name of Isle of Man Bank, will remain as it is and it is proposed that NatWest Offshore Limited will, on the appointed day order being made, revert to its previous name, 'Isle of Man Bank Limited'.

This is a positive move for the Island and it will be welcomed and I am advised that not only is it the intention to keep open all of the Isle of Man bank branches, but the focus will be very much on enhancing Isle of Man Bank's commitment to the Island. I have also been assured that the interests of existing customers of Isle of Man Bank and Royal Bank of Scotland are not to be disadvantaged in any way, and there has been no adverse comment. Likewise, UNIFI, which is the staff union representing the NatWest and Isle of Man Bank staff has been, and will continue to be, fully consulted about the proposals and staff implications.

The Royal Bank of Scotland Group business plans do show an expectation of further growth over the next five years, and I am sure this House will consider that it is important that in legislative terms (**Mr Gilbey:** Hear, hear.) we do progress the commercial decision of these particular banking entities in furtherance of their interests. Any technical points which I am unable to answer - I am very pleased to say that legal counsel is present if there are any matters which require some further discussion. And with that, Mr Speaker, I beg to move that the Royal Bank of Scotland International Limited Bill be read for a second time.

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

The Speaker: Sir Miles Walker.

Sir Miles Walker: Yes, thank you, Mr Speaker. I said during the introduction of this piece of legislation that I was supportive of the legislation. I think that it is obviously something that has to be put into place to ease the transition of the takeover and I am interested in the view that was expressed to us that similar legislation be introduced in Gibraltar and the Channel Islands. Do I gather from that that legislation has not yet been introduced? I wondered if the hon. mover of the Bill could give us some idea of when that might happen and, accepting that the debate will be staggered in each of those different jurisdictions, will there be an appointed day order which is made for all the islands at the same time so as to co-ordinate, in fact, the clicking in of the responsibility being changed from the individual banks to RBSI? Can I say once again, Mr Speaker, that I welcome the thought that Isle of Man Bank Limited will be reintroduced as an entity. I think that is something which is very important to the Isle of Man as a jurisdiction, and I hope that it is important to RBSI as a business entity, and I also take on board, I think in the way it was

meant, the support that RBSI have for the Isle of Man Bank in the domestic situation, and I take heed of the commitment that was given by the hon. member for Garff that the branch network as we understand it today will in fact not be interfered with. I think that is a concern that was expressed by a number of people and I am pleased to hear the commitment here today that that will not be interfered with, and that there will be an enhancement of the services that are provided by the bank to the people of the Isle of Man through that bank network.

Mr Speaker, when takeovers happen they leave a number of question marks in people's minds as to what will be the ultimate effect of them, and it seems to me that the ultimate effect of this particular takeover will not be detrimental to the Isle of Man business and I am pleased about that and I support this piece of legislation.

The Speaker: Mrs Hannan.

Mrs Hannan: While I welcome the retention of the name of the Isle of Man Bank and its continued operations, I do not really hold the same confidence that the member who just resumed his seat holds because I believe in big business all the activities of all of the branches will be looked at, and in the future because it is a bigger conglomeration now, I can see branches disappearing. If we do not use the branches they will disappear, and what people tend to use is the hole in the wall, so that people working in these areas and who do a grand job operating the banks in these areas - I think these jobs will be lost to out-of-town in the same way as Barclays Bank ceased operating in Peel, and in the same way as Lloyds Bank ran down some of the operations in Peel. Peel is not one of the smaller areas that operate under the corporate name of Isle of Man Bank. So there are issues here which I believe will be affected. What also concerns me, Vainstyr Loayreyder, is the takeover of one bank on another bank, on another bank, and so we get very little choice in the future of where we will actually bank. The choice will go, we will not have that ability to pick and choose, we will just in the future. Even in the last few years the reduction has been quite considerable, and so I am actually saddened that the Royal Bank of Scotland has seen fit to take over NatWest, and before that NatWest took over the Isle of Man Bank and so on. I do not think it is something to be welcomed; I think it is big business taking over, the more profits - profit, profit, profit - until when they have eaten up everybody they just take the profits from the public.

I shall not vote against this because it has actually happened and this is only legalising the situation, but I am saddened that this will continue to go on, and they will not care about ordinary people and about how people bank and how they live. It will be looking at it from day to day: is it making money? And obviously, if they are not, they will be closed down, as we have seen in the past. Thank you, Vainstyr Loayreyder.

The Speaker: Mr Cannell.

Mr Cannell: Yes, thank you, Mr Speaker. I speak in a similar vein to the preceding speaker. Bank takeovers worry me, particularly in a small place like the Isle of Man, even though we are now regarded as the centre of an extremely thriving financial operation which reaches far beyond the shores of the Marina Branch, as once it was for the Isle of Man Bank, and similar small establishments. When we talk of the Royal Bank of Scotland, and we talk of the bank which is connected with Royalty - Coutts and their very fine operation in the constituency - we had the privilege to represent here, having recently been joined by my hon. colleagues from Onchan to make up the complete set, (*Laughter*) we nevertheless revert to what is our own patch and virtually the passing of banking as we have known it in the Isle of Man for our domestic consumers and therefore our constituents, and whilst I will not be voting against it and I see the wisdom in it and better brains than mine have put a lot of time and effort into bringing all this about, I think, in fact, the retention of the Isle of Man Bank name is about all we are retaining. We have not got any connection with the former establishment just across the road here. I am afraid the Manx connection now is all but gone and probably gone for ever, and I lament that - I do not deplore it, I lament it - because if in fact you ring up now you are very unlikely to actually get someone who can spell your Manx name correctly, and I deplore that as well, perhaps it is because I have a name

which can be spelled more than one way, and certainly nicknames, it can be spelt considerably shorter.

But at the end of the day we are losing our soul here; I have referred to this in other aspects. We see banking takeovers and mountains of money being made for those who are behind them, but the most telling phrase I jotted down here from the hon. mover, hon. colleague for Garff, Mr Rodan, who said that in fact the customers will not be disadvantaged. I wonder how he knows that, because in fact my experience of a recent takeover, which this hon. House has also addressed, has in fact proved to be very poor indeed, as I have alluded to before. We were used as a test-bed in this Island for the Lloyds-TSB merger and it offered lots of promise. It is a long time ago, but I can tell you now that as a customer of one of the two branches supposed to integrate with the other, in fact it has been nothing of the kind. They are at war, virtually. (*Laughter*) They have not even integrated their computer systems where you can transfer money between the establishment down the road at Victory House and the establishment of the other half of the house 50 yards away in Strand Street. A pigeon could get there quicker. It takes four days to transfer money because they are still using the same system they always did, which is to put it in the post and it might reach somewhere eventually, and Mr "C'nell" (*Laughter*) who will have his millions which he has got invested in the hope of propping up his failed electoral promises for November, (*Laughter*) in actual fact cannot be satisfied.

Now, we also heard from the hon. mover that it was impracticable - *impracticable*, mark you! - to consult the customers. All the customers are not going to be asked. All, I can say as a member of the TSB is I was not consulted either about whether we would be taken over by Lloyds in a merger or amalgamated, and I think it is a liberty. If I am a customer I expect at the very least, when I am a customer of an organisation, I am therefore *per se* a directly interested person and that in fact I should be consulted, and although I know if you were to set off on this exercise, I know what you are talking about -

Mr Quine: An overdraft?

Mr Cannell: No, I have not got an overdraft. (*Laughter*) I know that in fact it would be probably impracticable to consult every customer in this organisation because they are probably spread to all four corners of the globe, but I still think it is a liberty for banks to just totally disregard the effects of the people who have the money with them and say, 'This is what we are doing because the shareholders decided it'. That is the truth. The shareholders just say, 'This will be an opportunity'. It is always an opportunity; it is never something that will not quite come off; it is always going to be better, and in actual fact in my experience in all this type of thing is that for the ordinary rank-and-file person in the street it very rarely is. It might be for fund managers and it might be for those who have vast portfolios that they can get people to take charge of, and they have clever accountants who can actually, as we heard of one gentleman in the United Kingdom with millions of pounds, pay a tax bill of £4,500 for the entire year. It might be, but for the ordinary person earning his living and doing his ordinary banking operations, in fact it is nearly always an inferior service that you get. You get held up on call-lines, 'Tracy is in a meeting', and then you move over then and you get, 'We are doing our very best to attend to you' and you hear that and selections from Bach and Mozart and heaven knows what, (*Laughter*) but you do not actually ever get through to the person you want, and I am talking about the Isle of Man, not ringing the Cayman Islands. I am talking about trying to contact your local branch. It is virtually impossible, and they are doing that to prevent you actually going down into the branches, because anybody who has tried to experience that now just says, 'To heck with that, I'll go over to the 'phone bank' and in fact for the majority now, to TSB's credit, which was far better than the Lloyds system, you can actually access your money and transfer it around your various accounts entirely on the telephone. You then get a letter from the bank saying, 'Mr Cannell, you haven't been into our branch for a few weeks to make up your pass-book.' Have you ever heard anything so historic as going down there and someone fills in your pass-book, even though they actually just press it into a machine now and it does it by computer?

So I use the five minutes just to lament the passing of the old-style banking operations we have known in the Isle of Man. Perhaps we are swinging the light a little bit here, but in fact I just think, really, that the ordinary customer just hears this, sees a little bit in the paper, hears a bit on the radio, Mr Rodan's Bill goes through, legal counsel perhaps say a few words, et cetera, et cetera - rubber stamp that, lads, and that is the end of banking as we have known it in the Isle of Man, virtually.

Fat cats there are - I wish I was one of them. Fat yes, but not fat cat. (*Laughter*) But at the end of the day Mrs Green going down to her local branch - I only hope the assurances we have had about the branches in the Isle of Man do stand up, because usually what happens is football managers are told by their directors that they have every confidence in them, and that is usually five minutes before they go down the road. We have heard about Barclays Bank.

We have heard about Barclays closing in Peel. There has been wholesale closure of branches in the United Kingdom of Barclays, and I only hope that the Isle of Man Bank and Coutts and RBSI, whatever - all this amalgamation and murder. . . 'Murder'! That is a Freudian slip! (*Laughter.*) I only hope that we will not be sitting here, or sitting somewhere and hearing in five years about how the branches now, if you want to do business, you have to go into head office or perhaps one operation will survive in either the south or north, because that is the way that everything else has gone. The hon. member for Peel is quite correct: they can huff and they can puff, but some smart accountant comes along and just says, 'I'm sorry, we've got 30 people working in this branch here, we don't need them, off with their heads.' It is a shame. So bye-bye. Isle of Man Bank comes back, really, from the dead, I suppose, but it is not the Isle of Man Bank as once we knew it. It is just the end of an epoch, as I used to say at one time, and it is to be lamented exactly, Mr Speaker.

The Speaker: Mr Karran.

Mr Karran: Vainstyr Loayreyder, I think we need to look a little bit more closely at this piece of legislation. There are a number of questions that need to be asked. The first question is, how come we are seeing all the head offices of all the banks go to the Channel Islands? How come we are having the situation where we have the Isle of Man Bank and it is going to be based in the Channel Islands? That is where it is going to end up. That is where the shots are going to be made. Maybe we need a committee just to clarify that point. Maybe the hon. mover would like to tell us what he is going to do about the obvious massive tax loss to the exchequer of this Island. As a member of the Isle of Man Bank, I find it very, very disappointing, especially after the fortune that I have given them over the years with my crazy schemes for the Manx language and everything, through remortgaging the house and everything, in order to get something done.

I do not want to see the profits of that to end up in some sort of deal in the Channel Islands. I want to know from the mover what is the cost as far as the loss to the Isle of Man as far as tax income is concerned, and I believe that it will not be in hundreds of thousands, it will be in long millions. I think we need to know that. I hope that other members maybe will consider having a select committee just to look into the implications of this. We heard from the previous speaker that they did not consult the customers; well, they did not have to, they had got us to come along and change the law for them. That is why they do not have to consult their customers. It would be a long and arduous procedure, I quite agree. I just think, Vainstyr Loayreyder, that this House really wants to just slow down. I think this House would be foolish to allow this. Government is here for the people, not for the finance sector. The finance sector is a very important part of the economy of the Isle of Man, and we appreciate that. We in this House are the ones who have to create the atmosphere for the likes of the finance sector and other industries to flourish as far as the economy of the Isle of Man is concerned.

I just feel that this House really needs to look at a few fundamental points, and I believe that this House should send this to a select committee just to see what the implications are. The truth is, Vainstyr Loayreyder, only for certain people's whinges in the past when the Isle of Man Bank

was taken over the last time and the fact that we had so much business, the business element that the government does with them - That is the reason why your branches have not closed down. No other reason - do not delude yourself that it is some sort of goodwill as far they are concerned. Their interest is one thing and that is a fast buck and to make as much money as they can make. That is fair enough; that is capitalism for you, but at the end of the day we are in here to make sure that we protect the long-term interests of the Isle of Man, and I believe that before we go down the road of allowing this to go into law and forever lose any sort of control over the Isle of Man Bank, we should have a select committee. I do not mind if it is a select committee of me, the Chief Minister and the Treasury minister. I do not mind fighting my corner, but I do believe that this House will be doing a great disservice long term to the Isle of Man if it does not just check the vested interest and the cocktail parties and the circles. What we have to check for is not allowing ourselves into a situation where it is all done on a nod and a wink and 'Yes, we will sort that out'; this House is here to legislate and to make sure it does what is best for its people. I do feel that this House, whilst I will allow it to have a second reading, I think a short period for a select committee to come along and just look at what needs to be done. . .

Have we actually looked at the issue that originally started out when we were talking about having a national bank again in the Island? We need to look at a number of issues before we sign on the dotted line and completely make us impotent in negotiating for the high ground. I do think that this House would be wrong not to allow it because, at the end of the day, I am not sure there would be any crisis with this piece of legislation if we do not get it through. We must not allow this House to be used and given the bum's rush, as so often it does and then we can relent at leisure.

I just leave one thing for the members who are not part of the Council of Ministers: when I am told that there are millions involved as far as tax revenue is concerned, I think unfortunately, Vainstyr Loayreyder, I was not here for the beginning of the hon. mover's presentation, but I would imagine that there was no mention of what the implications are as far as the exchequer is concerned. I just think this House should seriously consider having it to a committee and let us just have a look at it. There are a number of points that I would like to raise with members, which I do not really want to raise in this public forum because I do not think it would be the right way to deal with the situation, Vainstyr Loayreyder.

The Speaker: Mr Gilbey.

Mr Gilbey: Mr Speaker, I am sure we all sympathise with the sentiments of the last speaker and the one before him, and the one before that. I think we all feel a certain sadness when we see small companies, particularly indigenous Manx ones, being swallowed up into ever greater international conglomerates. Of course, all this started over 40 years ago when the Isle of Man Bank first lost its independence to the NatWest, as it then once. But although we may all feel sad about it, I think we have to accept the facts of modern-day life. This is happening all around the world, not only in banking, but in any other kind of business you may like to mention. So unfortunately, we cannot stop it.

Now, I think we should also accept that this is in fact a fait accompli. The fact of the case is, that the Isle of Man Bank used to belong to the NationalWestminister Group. The fact is that group has been taken over by the Royal Bank of Scotland, and that is a fait accompli whether we like it or not, and there is nothing that we can do in this hon. Court or another place to stop that; it has happened. But what they are asking is, because they now want to reorganise the various companies they own, that we should pass this Bill to expedite that reorganisation. Quite frankly, we would be most unwise to show as a House that we were against supporting them in that and that we were going to delay it. Frankly we will not stop them in the long run because if we stop them doing it the easy way, they will find a difficult way of doing it whether we like it or not. But what will be the result? Their top management will take a very dim view of the Isle of Man and its government; they will not think that we want to grow as an international financial sector. I think it could do enormous harm to our reputation as an international financial centre.

I would urge hon. members that, although they feel concerned about this - we all do, we all have a shade of emotional regret - I would urge them to accept the reality of the situation, Mr Speaker, and to move this Bill forward to becoming an Act as quickly as we can.

The Speaker: Mr Henderson.

Mr Henderson: Thank you, Mr Speaker. I agree with the last speaker's sentiments to a large proportion, Mr Speaker, funnily enough - quite often we are diametrically opposed but when we are talking about what the hon. member for Onchan mentioned, the best interests of the Isle of Man and so on and so forth, this is a very serious issue. It is fundamental to our economy and the commercial interests of the Isle of Man and a whole lot of other things as well. Whether hon. members like it or not, the reality of the situation is that the takeover that they are talking about that they wish to stop has already happened. I have just, funnily enough, Mr Speaker, checked my Isle of Man Bank switch card, which on the back says it is the property of the Natwest Offshore Limited anyway, so I am afraid we are moving around in smoky circles, Mr Speaker. The facts here on the table are to cause a situation to develop that is advantageous for this particular interest and we should get on with it because it has got the advantages to the Isle of Man as well.

Now, I can perfectly see the issue with the branches disappearing and so on and members worried about that side of things and the niceties of life that we used to enjoy. That is fair enough and it is every member's job in this House, if they are concerned with things like that, perhaps, to raise it with the Treasury minister or themselves to see if there is any way to develop a situation which is more to what they would like to see, but to just talk in terms around this particular piece of legislation at the minute that the hon. member for Garff is trying to put through in good faith and in the best interests of the Island, I think, is wrong and I think it should be supported.

The Speaker: I call upon the mover to respond.

Mr Rodan: Thank you, Mr Speaker. I do thank hon. members for their contributions in this debate. Even if a number of the issues are peripheral to the Bill before us, they are nonetheless none the worse for an airing, and so far as I can I will try and respond to the points that have been raised.

In thanking everyone for their contribution, can I start with hon. member for Rushen, Sir Miles, who raised the question as to whether parallel legislation has been introduced in the other four jurisdictions. I can confirm that it either has been or is currently being so introduced. The four jurisdictions are working to exactly the same timetable, which is to have everything in place, done and dusted by 1st January next year.

Mrs Hannan, the hon. member for Peel, laments the situation where bank acquisitions are taking place - not an unusual trend these days - and in the course of this, are branches to disappear in this situation? Well, of course, while there are no guarantees in life about anything, what I can say is that as a direct result of this legislation it is not intended that any bank's branches disappear. Neither I nor anyone else in the bank, I suspect, can possibly give an unequivocal assurance that in the future the pattern of retail banking and the situation of branches will not change, but certainly it is not intended that following this legislation there will be any disturbance to the branch structure of any of the banks.

The hon. member for Onchan, Mr Cannell, was in particularly good form this afternoon (*Laughter*) and similarly he laments the takeover of banks, one of another. Now, I would say that what we are witnessing here, as a consequence of the RBSI takeover, is the return of the Isle of Man Bank in its own right. So whereas he mourns the passing of domestic banking, what in fact we are seeing is the Isle of Man Bank as a Manx-registered company with its capital base in the Isle of Man, not just a trading name, which has been the situation for the last four years, but a Manx company - the return of the Isle of Man Bank.

He queried my statement when I said that customers would not be disadvantaged. He wants to know a little bit more about this because in my discussions with the bank I asked this particular

question because I suppose, like others, I am rather wary of banks and banking arrangements, and I have always made a particular point to keep separate bank for my domestic banking affairs and a different bank for my business affairs. There is a little bit of personal information for you! (**A Member:** Oh!) (*Laughter*) I suppose that if one could call that a canny approach, I do not know, but I do not want one bank having control over all my affairs and I was at particular pains to enquire, and I have been assured, that in that sort of situation, if a customer has an account at the moment this banking acquisition will not disturb that account or the arrangements they have hitherto enjoyed or matters of confidentiality, which is the main concern within the overall structure.

Now, the hon. member for Onchan similarly took me task on the statement of customers having been consulted and says he cannot believe that the customers have not been consulted. Now, of course what I said was that without this legislation, it would have been necessary to contact all the customers of Natwest Offshore Bank Limited, wherever they live or are incorporated to move their accounts, because it would need a hundred per cent permission and consent of all customers, in writing, to transfer their accounts. This is not possible, and the reason it is not possible is because some of those accounts are dormant, and it would be a physical sheer impossibility to get consent from dormant accounts, so that stands to reason. However, I can advise the hon. member and, I hope, reassure him that customers have indeed been consulted. They were circulated by the bank in January and February this year to fully appraise them as to what was taking place. The necessity for the legislation - it was not to circumvent consultation, but actually to give effect to a hundred per cent permission and consent for the acquisition to take place, something that would be otherwise physically impossible, as I say.

The other hon. member for Onchan who rose to his feet, Mr Karran, first of all is concerned the move of head offices to the Channel Islands, but of course while there is an element in this, not as a result of the legislation but a commercial decision that has already been made, that may well be the case, but I would like to remind him as well of the recreation, recapitalisation of a distinct Manx company which is Isle of Man Bank, and that I hope would be seen as a plus.

Now the hon. member went on at some length to raise questions about possible tax loss to the Isle of Man, and I think we have to be careful, Mr Speaker, not to stray into areas of commercial decision which are not anything to do with this legislation, but I can advise him that, notwithstanding that there is nothing as a result of this Bill which will bring about particular tax loss to the Island because the Bill gives effect to a re-organisation of a banking group over which decisions on the capital re-organisation have already taken place, back in 1997-98 capital reserves in the Isle of Man where increased when the Natwest Offshore Bill was passed, as is a requirement.

What has happened, of course, is that a current excess of reserves on the balance sheet of Natwest Offshore which are over and above that required to maintain the risk asset ratio in the Island will be redistributed in the group structure and will, as a consequence of that, have a negative impact on level of tax paid in the Isle of Man.

So there will be, because of a reduction in the amount of capital that is in the Isle of Man, a reduction in the amount of interest paid as a deposit, because as far as the Isle of Man Bank is concerned, the capital that will be lodged in the Isle of Man will be what is appropriate to what is the legal requirement and what is required to sustain the growth of the bank in the future, as I say, to keep this regulatory risk asset ratio.

I have been advised by the bank that it is anticipated that, with the intended growth of the business, of the Isle of Bank Limited, and the Royal Bank of Scotland International, any reduction in tax will be temporary and will be more than made up by the overall growth of business taking place in the Isle of Man. Treasury, naturally, have been in consultation with the buyers and I understand that any tax loss has been already discounted in Treasury's financial projections.

I thank the hon. member for Glenfaba, Mr Gilbey, for bringing the debate back into the realms of reality, shall we say, because I believe that we are presented with a *fait accompli* in commercial

terms and that this legislation is merely expediting the reorganisation of the banking group that follows the commercial decision of one bank to acquire another. It is a decision that has now been made and about which we can do nothing, nor would it be appropriate to do anything.

I thank the hon. member for North Douglas, Mr Henderson, for his support, and in a similar vein to Mr Gilbey he sees the reality of the situation, and I thank him for his support on a matter which is of some considerable importance to the banks concerned in meeting the projected timetable. With that, Mr Speaker, I beg to move.

The Speaker: Hon. members, the motion before you is that the Royal Bank of Scotland International Limited Bill 2001 be read a second time. All those in favour, please say aye; against no. The ayes have it.

A division was called for and voting resulted as follows:

For: Messrs Gilbey, Quine, Rodan, North, Sir Miles Walker, Mrs Crowe, Messrs Rimington, Brown, Henderson, Duggan, Braidwood, Mrs Cannell, Messrs Shimmin, Mrs Hannan, Messrs Corkill, Cannell, Gelling and the Speaker - 18

Against: Mr Karran - 1

The Speaker: Hon. members, the motion carries, 18 votes in favour and one vote against. Mr Karran.

Mr Karran: Vainstyr Loayreyder, I believe. . .

The Speaker: What is your intention, sir?

Mr Karran: I would like to move this Bill to a committee of three members to consider and report before the next sitting of this House to discuss the implications of this Bill, because I believe that this Bill has got major implications for the Isle of Man. It is all right the hon. mover gently brushing over the implications of the tax situation and everything else. There is the issue that, yes, there will be an Isle of Man Bank. But it will have a lot less of an asset base than it has now. Also, I would like to know what will be stripped away from the assets of it at the present time. I believe that this hon. House will be foolish in the extreme if we do not have some sort of select committee to look into what the implications as far as this is concerned.

We hear a lot about a *fait accompli* and that we can do nothing about it. My colleague said about the consultation with the customers - fair enough, Vainstyr Loayreyder, the problem that they have a number of dead accounts will make it impossible. What I am concerned about is making sure that there is long-term security for the Island. If we put this piece of legislation through, then I want to know what sort of safeguards, long-term, there are for the Isle of Man. We are doing them a favour. Now, I know if it was the working man it would be more likely 'Well, it does not matter', and because it is a big corporation we have a situation where we say, 'Oh well, we will do this favour.'

I think, I wish to move that that this Bill is referred to a three-man committee and to consider and report, and hopefully report back before the next sitting of this House. I would like to know, what are the implications of this? I believe that tax implications as far as a loss to the Manx exchequer are going to be phenomenal. I am also interested to know that I believe that the 'Celtic Tiger' economy in the Irish Republic has been talking about the situation where the number of accounts that lay dormant for more than 20 years should become part of the government's situation. I believe that if we allow this bank to go now, we will end up with a situation where we have missed an opportunity to discover whether there are things that we should be doing in the interests of our people. I am not denying that we have an interest to try to work in harmony with the multinationals and big companies, but our first interest is to look after the long-term interests of the people of the Isle of Man. (**A Member:** Hear, hear.) I believe, I honestly believe - and I have had certain individuals on to me -

The Speaker: Hon. member, my patience is wearing fairly thin. You have moved that this Bill be sent, correctly at this point after second reading, to a select committee. I am not giving you the opportunity to debate the Bill again.

Mr Karran: Vainstyr Loayreyder, I am happy with that. I believe that in this House there are too many question marks about this piece of legislation and I hope that this should go to committee, and I am happy that even if we have the Treasury minister on it and the Chief Minister on it, so long as I am on it I believe we should be asking certain questions that should be coming back, because I am concerned we are being hoodwinked as far as this piece of legislation is concerned. I so move.

The Speaker: As the mover does not appear to have a seconder, I now move on to the next item of business.

Council of Ministers Bill — Second Reading Debate Continued

The Speaker: Item 19, Council of Ministers Bill for second reading, and the following hon. members have already spoken: the mover, Mr Rodan; Mr Downey, seconder reserving his remarks; Mrs Cannell, member for East Douglas; Sir Miles Walker, member for Rushen; Mrs Hannan, member for Peel; Mr Cannell, member for Onchan; and Mr Corkill, member for Onchan. Mr Gilbey.

Mr Gilbey: Thank you very much, Mr Speaker. I would like to touch on three main points. Firstly, I would like to comment on some of the remarks made by some hon. members during the first part of the second reading debate on 6th April, then I would like to refer to a general matter of principle regarding the selection of the Council of Ministers, and finally I must point out certain extraordinary weaknesses, and indeed contradictions, in the Bill before us.

Mr Speaker, I would first like to refer to remarks by the hon. member for Rushen, Sir Miles Walker. I do believe that particular weight should be given to his opinions, not only by members of this hon. House but by those we represent. The reason for this is that he is one of the only two members of this hon. House who has been Chief Minister; therefore he has an experience that only one other person can share. Furthermore, during his period as Chief Minister and that of the present Chief Minister, the Island has enjoyed unparalleled success which is fortunately shared by the vast majority of our people. (**A Member:** Hear, hear.) We have full employment, income tax has been reduced, our social security benefits are generally far better than those in the adjacent isles, government expenditure has been able to far exceed the rate of inflation, and very substantial reserves have been built up through yearly budget surpluses. Indeed, I would say that the situation of the Isle of Man must be the envy of most countries throughout the world.

Although this happy situation is largely, and indeed probably mainly, due to the efforts of the private sector, it undoubtedly also reflects the stability and efficiency of our system of government over the period in question. Therefore particular attention should be paid to the hon. member for Rushen's statement that the Bill before is an impractical piece of legislation which could lead to interminable time being taken to appoint a Council of Ministers. As he points out, those who supported a person for Chief Minister who was not in fact elected to that post are likely to wish to deny the person in fact appointed a strong team of that Chief Minister's choice. Now, this is not, and cannot be good for the Island.

I was particularly interested by the hon. member for Rushen pointing out that in the past, the hon. member for Ayre, Mr Quine, has strongly supported the Chief Minister being able to appoint his own team and that indeed the change to the present system as it is, before any changes that might or might not be brought about by this Bill, was indeed proposed by backbenchers and not by the Chief Minister himself.

I can understand the hon. member for Rushen's arguments that in certain circumstances it may be that ministers would feel more secure in their jobs if elected by Tynwald. However, it seems to me this could only be in the circumstance that they, as individuals or a group, obtained

an overwhelming vote of support. However, what if they were only appointed by one vote? They would then have no security and indeed, I would suggest, would be open to constant taunts that they had no real mandate.

The hon. member for Onchan, the Treasury Minister, has a very valid point in questioning why, if members of the Council of Ministers need to be approved by Tynwald, it is not logical that members of departments should be similarly approved. Surely what is sauce for the geese is equally sauce for the ganders.

I would now like to turn to the matter of principle, as to how a Chief Minister should obtain the team of ministers to work with him. I have felt and do feel that anyone in whatever walk of life who is charged with a task of great responsibility should have the right to choose the team who are to help him carry out those responsibilities. How can it be fair to give a person a great burden of responsibility for the welfare of the nation and then not let him choose those he thinks are best able to assist him in carrying out that burden? How can it be right to force him to have a team which he may not consider suitable or even workable? Furthermore, how can one hold a Chief Minister responsible if things go wrong if he has not chosen his own team? He would merely say if criticised, 'It is not my fault; it is the fault of all the people you forced on me instead of letting me choose my own team'.

The third matter which I would like to deal with is certain, what I consider to be, inconsistencies and dangerous errors in the Bill as drafted and one particular addition that I think should be considered if the Bill is to proceed. I will start with clause 2. Under clause 2, sub-clause (2) it says, and I quote, 'A nomination under subsection 1 should be made a resolution of a majority of the members of Tynwald present and voting who shall vote as one body at a sitting of Tynwald held in the period of one month.' However, what happens if voting does not take place, for some reason, within one month? Does nothing happen at all? Is the period automatically extended? I am sure that on such important issues there should be clarity.

Then, turning to clause 2, sub-clause (3) I think that it is too long to provide seven days to deliver to the Clerk of Tynwald a nomination. Seven days must surely mean that over a week would pass between one sitting and another. Therefore I believe that 'seven' should be changed to 'five', which would enable there to be a sitting the next week.

When we come to clause 4, I should like to revert to a proposal that I made when the Council of Ministers Amendment Bill had its clauses debated some five years ago, on 6th February 1996. I then proposed that the number of members of the Council of Ministers should be reduced from ten to eight and that the number of ministers from nine to seven. I would not have dreamt of bringing forward this idea in a special Bill. However, as the Bill we are considering has been brought for our consideration I believe we should think of the arguments that I put forward four years ago, many of which are as valid today as they were then. As I stated then, I believed that this hon. House is to all intents and purposes the legislature of the Isle of Man, and for that reason I was not referring to another place. I pointed out that at that time, as at the present, we have nine persons in this hon. House who are members of the Council of Ministers, and indeed by law we could have ten. I did not say then, and I am not saying now, that we would necessarily have ten; however, I am well aware that a number of hon. members of this House think that only hon. members of this House should be in the Council of Ministers, and if that was to happen, unless the number of the Council of Ministers was reduced you would clearly have ten members of this hon. House in the Council of Ministers. I pointed out that it was very difficult for the legislature to have the right balance of power when so many people in it are in the executive.

I also mention points made in favour of the same arguments by the hon. member for West Douglas, Mr Downey, which are clearly shown in *Hansard*. In particular, I suggested it would be easier if the number of Council of Ministers members was smaller to get a completely cohesive team which seems to me totally desirable in such a body - indeed, the more cohesive the team the better. I would also say that in most businesses you try to get a cohesive team and not a vast

spread of diverse interests. I also argued that the government departments could be run with a lesser number of ministers and pointed out that in the past there have been discussions about combining some ministries. I do not think that there is any ministry as big as the DHSS, and that runs perfectly well with one minister. Accordingly, it would be possible for there to be other ministries of equal size brought about by amalgamation.

I stressed a further and very important point: that if there were less ministers, more power indeed might have to be delegated to other hon. members. I referred to the fact that there is no doubt that some departments delegate extremely well, and I in the past have been very fortunate in being in such departments. However, other hon. members have claimed that this does not apply to all departments, and I am certain that if there were less ministries there would be more likelihood of increased delegation. I suggested a number of ways in which increased delegation could take effect. For example, questions in this hon. House and another place not always being answered by ministers but by the member of the department responsible for the matter to which the question related.

I finally pointed out that I cannot believe that there are many legislatures in the world where where so many of the legislature are in the cabinet.

Turning to clause 5, I do feel that this is extraordinarily difficult to follow and not as clear as it should be. Furthermore, I do not believe that ballots should be in secret. Surely our constituents have a right to know who we supported to be in the Council of Ministers. (**A Member:** Hear, hear.)

Turning to clause 6, I think this could result in an extraordinary situation where, if a vacancy occurred - say, after the July sitting of Tynwald at the beginning of the summer recess - the Chief Minister could have to nominate a minister who would be appointed by the Governor, but for several months the appointment of this person would not be ratified by Tynwald. This would put all concerned - the Chief Minister, other ministers, the minister so nominated, the political members of the department to which he was nominated, and officials in that department - in a quite impossible situation. Why do I say that? Because they would have someone nominated whose appointment, following past precedents, might well be rejected by Tynwald. Now, this cannot be right for firm or effective government.

Finally, I think that clause 12 is most dangerous. Under it, if this Bill became an Act by say, October, and then - God forbid - the Chief Minister was to die or resign before the next election, the whole Bill would become effective and there would not be time to put its complicated and laborious procedures into effect. Indeed, there is no doubt that the Isle of Man would be in a position of not having an effective government at all.

Personally, I believe there is no need for this Bill and that the present situation should continue. However, if the Bill is to proceed there are a number of amendments to it that would be absolutely vital for it to make any sense at all.

A Member: Hear, hear.

The Speaker: Mr Rimington.

Mr Rimington: Thank you, Mr Speaker. I would just like to point out to hon. members that when I was elected to this House I came in on the platform of reform and that is still my platform, and constitutional reform and reform of government. However, you have to judge what comes before you to see whether it is worthy of that title, and 'reform', as the Oxford dictionary would point out, is an improvement, 'an improvement made or suggested', and I do not find that what is proposed today is an improvement. It is merely a change, that is all it is.

Now, not having the background of other hon. members and all the little divisions and playing around that have gone on (*Laughter*) over the years, the Council of Ministers Bill came to me, if you like, blind: I did not know the background, I did not know the power-play behind it or whatever, and I just read it as taken, and I thought to myself, 'This is cumbersome and unworkable, this is

something which I would not really want.' And then I investigated further beyond that to find out 'Well, why has this come? Where has it come from? Why do we have this unworkable documents? This is yet another constitutional matter that has come before this House which I consider to be both irrelevant and unworkable.' So I started on my search for enlightenment. (*Laughter and interjection*) Unfortunately I have not found it. In the Report of the Select Committee on Ministerial Government, which has woggles and woggles of evidence, so when I have tried to wade through some of the laborious bits. . . but in the actual report itself, which is meant to - and this is the crux of it - this is your parliament, this is the body which is giving information - which is meant to have ideas in and policies and views - absolutely nothing! You decided what you wanted to say before you went in, and you said it. (**A Member:** Hear, hear.) All you have got, in 7.2.4, 'Having examined these various matters we conclude that the quality and effectiveness of ministerial government would be enhanced by the nomination of members with ministerial appointment being again subject to Tynwald approval while allowing the designation of the nominated ministers to departments remaining a matter solely for the Chief Minister.' That is the sum total of the arguments for the following page of recommendations which are now encapsulated, broadly speaking, in the Bill before you. That is a process of deceit and dishonesty.

And so we go on. The next thing I think, 'Well, the hon. member - I was awake when he did the second reading' - it is sometimes difficult to stay awake - (*Laughter*) I am not referring to the hon. member, but to the House in general! (*Laughter and interjections*) I had difficulties with the Road Transport Bill yesterday (*Laughter and interjections*) and I could not remember a great deal of what was said, I was not sitting there taking notes, so as there has been a divide in time between the beginning of this debate and now, I have had the opportunity to go and look at the unedited version of *Hansard*, and looked in the hon. member's lengthy opening remarks for the arguments in favour of these radical changes, and again there is nothing there - absolutely nothing. It says in sum total of your arguments, sir, 'in a system where nearly everyone operates as independent members it should be insisted upon that those people who are going to be granted additional executive power should be supported by a majority of members of the Court' - not 'why', but just 'it should be insisted upon' - not why it should be insisted upon, and again we have that huge amount of reasoning coming into this quite important constitutional Bill which is going to change the way the government of this Isle of Man is going to operate and the appointment process. I am disappointed by this.

I then looked at the debate in *Hansard* when this Report of the Select Committee was taken, again searching for enlightenment - no such luck. There was a little bit more in there, yes, there was a little bit more, people did go on a bit longer, people actually started mentioning briefly some of the more important things that were only touched upon but never came out in there, which was the Committee of Scrutiny, i.e. the idea of looking at government and policies and so forth. Yes, those are more important ideas but those did not get into bold in here, and never got into legislation and were only touched upon by a few members in the debate.

So, there was nothing in there; the only little bit was about accountability. Well, you do not have a process of accountability when the Chief Minister comes along with his list of nominations and then you vote on them and it is yea or nay, and have to come back and so forth, but that is not accountability; accountability is when you have the power on the floor of the House to say, 'Right, you, I want a full explanation of this' et cetera, and it is an ongoing process, it is not that initial process they are talking about. And there was an attempt by members in that debate to broaden it out and try and built up the ideas, but I am afraid, hon. members, it failed.

Really, what is taking place in here is similar, to my mind, to what is taking place in other constitutional bills: what you are doing is looking at playing around with the people involved - tin pot politics; you are not addressing ministerial government. This report should have been entitled 'The Report of the Select Committee on the Conduct and Position of Ministers' (**Mr Cannell:** Hear, hear.) Because you have missed out on government. You were not interested in that, you were interested in the little power politics that get the numbers on the top, and years ago you changed from the

board system to ministerial government and everybody agrees that was a welcome move and that had to be done, and, yes, it is time - it probably always is time - to look at that process of government and analyse it to say 'What is wrong, and how can we improve it?' That is the job people should be doing, not playing little power politics of who should be at the top and how can we move them around according to our wishes -

Mr Cannell: And how can we get in ourselves?

Mr Rimington: Yes, how can we get in ourselves? quite right, hon. member! (*Laughter*) That is the important thing. There is a whole system of government out there, and in the time that I have been in this House - and I say this openly to the APG and to others - I have not heard one decent argument about the direction of the economy, the direction of this society, how you are going to reorganise government, how you are going to marshal your resources. Your weakness is you are only interested in playing power politics, (**A Member:** Hear, hear.) and that is all it has been so far: power politics and then back to the circus - Question Time, because we all love that, yes, because the press are there. We have got half a press today, we did not have any press at the beginning of this debate, but if there were any press yesterday afternoon when we were putting through the legislation. . . We have not had press in previous sittings of the things, but we always get the press there for Question Time, we always get the reports in the paper, we always get all the ads, 'Come on, listen to Question Time' - yes, it is on the radio, this is going to be good, this is where it is at. It is sexy stuff! (*Laughter and interjections*) our populace - you know, I can make noises, 'This is unfair, blah, blah, blah', and it comes over well, and that is politics. But you have got no policies and, in the time that I have been here, I have not seen one motion on the Tynwald agenda which has come from any alternative group, saying 'These are policies that we should be following, let's debate them.' Yes, you might focus on the Ramsey Pier or whatever, but in terms of actual policies for the Isle of Man, its direction, social issues, environmental issues, economic issues, (*Interjection*) - you are devoid. (*Laughter*) You are just playing around with this little system.

Mr Downie: Were you here for the policy debate then? (*Laughter*)

Mr Rimington: I was here through the policy debate, and also the budget debate; what is very strange is to have a body of people who are meant to have alternative policies but they do not come through in that debate, and there is no alternative resolution, and everybody puts their hand up at the end. I was actually astounded at that (*Interjection and laughter*) and there are unanimous resolutions, and I felt rather guilty having to put my single vote against the income tax issue, but you know, it had to be done. I wonder -

Mr Cannell: What about the weekly meeting of the TUC?

Mr Rimington: Well, yes, that is important. (*Laughter*)

The Speaker: Hon. members, there is plenty of banter, but can you keep to the subject?

Mr Rimington: But we have created a ministerial government of nine empires and quite rightly so, but they are empires, and that is not a criticism; that is a fact. Those empires need control and they need scrutiny, and that is not, to my mind, taking place to the extent that I would like, and how money is being utilised - is it being spent wisely? I am not convinced on those issues, and I have not heard the argument, but I have heard a heck of a lot of arguments about who should be sitting where, and who is lining up for what after the next election. And - lo and behold - on this Tynwald agenda there is another big fat wodge of select committee department members of the same volume as this which is going to take up the time. Now, that might have been an important issue, and I have not even looked at it yet, but it is indicative of what is taking place. The politics in this place is all centered around people and their position, it is not centered around the activities of government. And there are a number of sub-plots going on here, and I am not sure quite what they are.

One of the sub-plots, I believe, with this Bill is so it gives the power of people in here to stop members of the Legislative Council being elected as ministers, and I think you are absolutely

wrong on that one (**Mrs Crowe:** Hear, hear.) both in particular and in general. In the particular - and I will mention my own minister - my minister intellectually, in ability to hold a brief, is head and shoulders above the majority of members of this House (**Members:** Hear, hear.) plus having to take on the new hospital as well and all the flak that you get for that, plus no-one else wanted to do it. And the Chief Minister was absolutely correct to use the ability of that individual (**Mr Gilbey:** Hear, hear.) for that position.

In general you have got the whole concept of the Legislative Council wrong. You now look upon them, some of you now look upon them as inferior beings, therefore we cannot use them as ministers. Now, if I understand it, we elect from this House people to that Council and election is a process of going up or at least equal status; we are not electing to demote, and if you do not like the quality of the members of the Legislative Council as it stands at the moment and do not think they are befitting, then, hon. members, you have only yourselves to blame (**A Member:** Hear, hear.) because you have elected them, and that reflects the power play and the weakness that is the political system at the moment, and not putting - and maybe they are not here to put up anyhow - people with experience and integrity and erudition, which is what you should have in an upper body whether it is elected from here or whether it is done by - I do not know - nationwide franchise or whatever. So I think you have got that wrong and therefore that to me is another reason, one little sub-plot, why I cannot stand for this.

The other sub-plot - I do not know quite how to say this because I do not get so many crumbs off the table of gossip and what I do get only come off one part - is that there seems to be an awful bit of power playing for what is going to happen after the next general election, and people are lining up and who is going to be in, who is going to be nominated for Chief Minister, who has got chances, who is going to get the jobs? I am disgusted by it. (**A Member:** Hear, hear.) I am disgusted that I am elected to a body which is indulging in these horrible, squalid little games and yet. . . and I hope, when we get to the refreshment of the APG's policy, which is, I believe, due to come out in good time, that we will address all these fundamental issues and you will explain there how over the last few years you have been machinating around inside this chamber and in fact really you have not been producing anything of substance, any coherent policies, any alternative policies, where you have just been messing about with the mechanics of government and not actually addressing the whole issue of government. You have been addressing the things at the top and not the vast amount of work that is going on out there, the huge numbers who are working, the vast amounts of money that are being spent. (**A Member:** Hear, hear.) You know, you have got a long way to go.

To conclude, all I can say is I cannot see any reason for change, it would be unworkable, it would be disastrous. I look forward to the hon. members, in their response, explaining what their reasons are for this most clearly and at length because you have not yet done it. Thank you.

The Speaker: Can I call upon. . .? Mr Karran.

Mr Karran: Well, Vainstyr Loayreyder, all I would like to say is that I think there were some very good points that the previous speaker said, but I have to say that to a certain degree the government allows this situation to buy off people to a degree. As a member who has one of the few jobs that has more of a workload than half the Council of Ministers as far as being the member for Health with all the problems, I have not been bought off with a sweetie, so I think, to be fair to the APG, as much as I concur with an awful lot of what the previous speaker says, an awful lot can be laid at the feet of the present executive in the way they allow a situation where they throw department members places like confetti when there is not the work there for it to be done, in my opinion. I am not pinning out anybody, so I think that does need to be what-d'you-call-it. I think that is the problem that we have and, as the person who was the only person to vote against the Council of Ministers legislation when it came out, many of the things that I said would happen have happened and I see in this House the rights of individual members have gone down, because at the present time, because of the way the situation is, it always reminds me of two members in this

hon. House that are not here now who were sworn enemies and they were both like dogs: they both growled at each other but one did not bite, because if one bit the other one would bite back in that that individual member could expose something that would embarrass him and vice-versa.

So there was a certain amount of shenanigans as far as the perception was there, but it was not really there, it was just there for the benefit of the general public, and I believe at the present time the way the system is, where everybody is a member of a department, I think the truth is they will only go so far and will not go any further because they know the position at the present time, and I think that comes from a weak Council of Ministers (**Mrs Cannell**: Hear, hear.) and I think that any future Council of Ministers should have people either in government or out of government, and I believe that is where it needs to go in the future. And that will mean that some of us will almost certainly not have a department responsibility and not have the pay; I have no problem with that, as one of the members who can say that with the worst department membership.

Well, what does concern me with this Bill is that I believe as a person who - (*Interjection*)

The Speaker: Hon. member, continue.

Mr Karran: I believe that this Bill - one of the most important things that we have in this parliamentary assembly is stability. That is what will make sure as much as anything else as far as our economy is concerned, and I do feel that this Bill would be a mistake if it were allowed to become a lottery of personal backbiting and if we are going to have a situation where members have got to be elected from another place. If you pick a Chief Minister, then I believe you should have to allow him to pick the team he wants. If you have got a problem with that then it is his responsibility.

One of the biggest problems at the moment in over the huge amount of - I am not sure what the parliamentary word is for the huge amount of mistakes, to put it mildly, that have been in this administration and the last administration, because what you get is, 'Oh, what can I do?' Well, we need a situation where we say, 'You pick them, you direct them and let's get these sort of nonsenses sorted out,' and I will be moving, if this Bill gets a second reading, that the Chief Minister should be allowed to direct, because at the moment what we have is a situation like a big blob of jelly. We poke here and you think you have got the executive pinned down and it oozes out under your armpits and trickles away somewhere off never to be seen again at the present time.

I believe that this will even make it harder to pin down the executive. I am very worried about it. I am worried too that we have had this orgy of success with this new type of government as far as our economy is concerned; we have never had a problem since this came in; you have had two gents as far as Chief Ministers are concerned; the danger will be the day when we have not got money in the bank to throw about and we cannot give everybody a political sop and then the question will be stability within this country, and I believe if you end up with a situation that we then have a lottery almost - I mean, we have already seen where the other countries in the world have lotteries to win millions that you have to get a lottery to go in the lottery to get a house in this country, it would be even worse if you end up having to get into some sort of lottery of the shenanigans in this House as far as becoming a member of the cabinet is concerned.

I believe that we need a system where there is accountability and control as regards the ministers. I am tired of listening to the situation where departments go off and do all these sorts of things and no-one is to blame, no-one is responsible, no-one has got any control. I believe that this House would be wrong to have a situation where the Council of Ministers are elected on an individual basis in this House. I think it would be a sad affair and I think it would not be good for the Isle of Man.

The other thing that concerns me with this piece of legislation: I believe that the President should, as a presidential official of Tynwald, should really be elected by the people in a vice-regal role and in my opinion we should double him up, consolidate like we have done with the Royal Bank of Scotland today with another piece of legislation where you have blindly followed. I believe

that we should be then consolidating that so that you make him into the role of the Lieutenant-Governor of the Isle of Man - take the role of the Lieutenant-Governor of the Isle of Man away, I mean. Not allowing the fact that it is them and us, I believe it is the people, it is about stability outside this hon. House and I believe, if you are going to end up with some sort of lottery where you have your different groups. . . and there are not many times that I support my good friend from behind the moon, Mr Gilbey, (*Laughter*) from Foxdale, but I agree with him completely on his statements about people should have to get up there and, if you are going to do that, then their vote should be up in public so that everybody can see where you vote because there are far too many Ihiam-Ihiats in this House - that is, 'with me, with thee' and with no-one but themselves. At least one thing that most of you can admit to is the fact that I am consistently one-way obnoxious as far as most of this House is concerned, and I try to be as fair with everybody in this House. This must not be seen as just a bit of a sideline and a bit of a joke, that it is one over the executive; it is far too important than that in this hon. House, and I hope people really think about that because it is far too important.

As much as I am appalled at the way that they have carved up our pension scheme as far as us parliamentarians are going to suffer for not being part of the executive, I still maintain that this House. . . well, I think if the hon. members go and look at it you will see the reasons why it has affected people who do not become part of the establishment, they actually suffer now under the new pension scheme and it is a double-whammy if you are a single person as well.

But that is not what is important. What is important in this House is to make sure that we keep stability. It is ridiculous to say you put a man in charge of the executive, the Prime Minister of this country, and 'I am sorry but you have got to have. . .' so and so and they do not even talk. If this Bill gets second reading I want the power to direct, because I am not happy with the orgy of success that has been in this country and the orgy of unaccountability of spending money on half-thought-out schemes and then no-one is in charge. I believe that if this Bill does go through, that is something that needs it so then the Chief Minister is pinned down, he is the boss, he makes the decisions. This is important, hon. members, a lot more important than just trying to get one over on the other gang, and I am one of the ones who suffer most in this House that has not got a gang. But the fact is, we are talking about the stability of the Isle of Man.

The Speaker: Chief Minister.

Mr Gelling: Mr Speaker, I have listened interestedly today to some of the contributions and I have tried not to actually put too many of my opinions out into the public arena for the simple reason that I am quite convinced that we have those who have been there, those that have done that, those that know what the obstacles and problems are, but we do have members who have never been there, never done it and, although you might tell people what those obstacles might be, it is as if they want to try it to actually experience it and so on, so I can speak from a position of having been elected into the Council of Ministers from the very first situation where it came before Tynwald; then it was changed, and I still remember that exceedingly well, and the statement was made that the Chief Minister, if he goes down the tubes, his ministers should go with him and that is the way it should be. He should have the backing of Tynwald behind his ministers and therefore that is why it was changed.

Now, I have listened, as I say, very much to the contribution from the hon. member behind me from Rushen who has come in as a new member from Rushen and looked at it and probably wondered now why are we doing this? It is not reform; it is actually going back to where we were. He mentioned one thing, to which I listened again, as I say, with great interest: 'You created nine empires,' and that struck me because that is exactly actually what the position is, because the ministers of the departments are the people with the power, and this vision that people have of the Chief Minister being the all-powerful one, of course, is total nonsense, because the Chief Minister has no power whatsoever except to sack a minister. Now, that is the point I was coming to - to sack a minister. So therefore if you follow this particular Bill and did not in any way amend it, you are

actually even taking away from the Chief Minister that ability, because you could not sack a minister I would suggest, once Tynwald had actually ratified that particular minister.

Now, what I am trying to do is just illustrate to members certainly some of the experiences I have had and it is very difficult for a Chief Minister to keep a consensus of opinion and, as someone has said, that should not be the case. It would be much easier if the Chief Minister had nine people all with the same thinking and all going in the same direction, it would be marvellous in fact, but that is not what we have, we do not have that situation, and of course the experiences certainly that I have had whereby certain pressures are put to bear by Tynwald on the executive and on the regime and in particular the Chief Minister, and it is made quite clear that if the Chief Minister does not make certain moves he himself or she could very well be under pressure and a vote of no confidence, which is the only one that Tynwald has, will be put down for the Chief Minister. This is a situation of 'How do you sack a minister? Now a minister is seen in the forum of this House, in the forum of Tynwald but members do not always see that minister in other places - in their department, in the way in which they contribute and so on - so there is always a bit of give and take, and I would suggest that often the good points of that particular minister might not always be appreciated, but nevertheless the pressure will be put and it will be wound up to actually more or less indicate to the Chief Minister 'You either get rid of that minister or you are on the way yourself.' Now, that is a very difficult position because you then have a situation where you are saying to that minister, 'Well, will you go quietly? Will you resign? It will save a lot of hassle.' Now, I would suggest if you go down the road of the Chief Minister having Tynwald approve their ministers he would have to come back to Tynwald with the suggestion that a minister be removed because they are not doing this, this or whatever, or they become incompatible - whatever. And it would be exceedingly more difficult if Tynwald then decided, 'Well you're not going to sack that minister, you're going to jolly well put up with the minister,' and I would suggest that there you have a dilemma which will be difficult in the practice of trying to perform with a situation where those people who form your executive are actually voted on or brought in by Tynwald.

Therefore what I am really trying to say is, the hon. member was quite right when he said about the empires that have been built; they are departments, the departments have the power. The Chief Minister can cajole, can persuade, can do whatever he can, but he has no direct power to give directions to anybody, even to suggest to them that they might go some other direction because he or she, the minister, has the power within that department. The Council of Ministers can direct, but again this is a problem, I would suggest, that would have to be brought up and discussed with the very minister in the forum in which this is being discussed.

So I am trying to actually illustrate some of the problems that I would see with putting the Bill through, which, let us face it again - someone raised it - has come from the Council of Ministers but, make absolutely sure again, the Council of Ministers were carrying out the demand from Tynwald to come forward with a Bill and they have done that; the Bill is here. But I would suggest that there will have to be some amendments to actually. . . I will not go over some of the ways in which Tynwald would have to be brought back to be able to get people into position because you would not, maybe, get it on the first count or the second count or it maybe even individually and so on; they are the practicalities which I think will have to be ironed out, so I would think members will have to be very clear that there are some areas here that will have to be amended, and obviously this is the place to amend it. If this gets the second reading we go into clauses.

Now, there is just one more thing. The hon. member again I referred to, Mr Rimington, from Rushen said, 'Here we are, tinkering with or looking at a constitutional Bill.' Now, I raise the question: is this a constitutional Bill? Is it a constitutional Bill? Can we therefore be directed perhaps by yourself, sir, does that mean constitutional Bills have to have 16 votes? Is that where we are coming from, I would just look perhaps to the learned Clerk to see whether that is the situation? And now I will sit down, sir.

The Speaker: As a matter of guidance, the previous Council of Ministers Bills have not been considered as constitutional Bills. I think that is correctly interpreted. I think that is the correct interpretation. Anybody else wish to speak? Mrs Crowe.

Mrs Crowe: Yes, a very short intervention. I am very simple, I think, Mr Speaker. I found the debate so far most interesting, and of course my hon. colleague from Rushen clearly demonstrated that his degree in politics was not wasted and Mr Cannell's intervention, the hon. member for Onchan, is it Mr C'nell or Mr Cannell? *(Laughter)* However, I thought that his observations in the style of a sports commentator, I felt, on the Chief Minister putting up the skittles and watching whilst each of them, or in fact the whole team, was knocked down time after time is really a very good analogy. What is being proposed is that the Chief Minister is elected. Now, let us say, for instance, that I was elected Chief Minister (**Mr North:** Hear, hear.) and, as an opponent to that position, perhaps Mrs Cannell from the APG, the hon. member for East Douglas, may well be standing against me. Well, I was thinking that as the Chief Minister I may very well go down the road of consensus, as our present Chief Minister has chosen to do, or I may well say, 'I will have a team that will work together for the good of the Isle of Man' and that team must be a team that will work together. Whichever I choose, I would have the pick, presumably, of the whole of the Court. Now, during that time I would fully expect - and we were mentioning sport - as any captain of a team might do and certainly the captain of the losing team might do, them to be in another corner preparing for the opposition to the team that I was going to put in place and indeed doing it, I presume, by offering them positions in what could be their government as ministers, and I look upon it as simply as that, I do believe, and if I was that opposing captain I would do precisely the same thing. I think you would be honour-bound to do that. It would be precisely what I would do, and I feel certain that that is what Mrs Cannell would do if she, as I say, were in the opposing camp as the losing member of the chief ministerial election.

So I would like to ask the hon. mover of the Bill how he would see this system working. Do we go back, do we present the team in January to have it knocked down? Do we then re-present it? Have we got a back-up team ready? Or do we then come back in February Tynwald? Do we come back in March? Whichever way you choose to do it, it certainly will require a great degree of shuffling, because I do not feel for one moment that the first team that is put in place by the elected Chief Minister will be voted on successfully. It will go back and forward and back and forward. In fact, the only thing, I think, that is certain - and I think there might be some clarification of this - if I am elected by Tynwald as the chairman of the statutory board, presumably from July until October I could wreak mayhem down at the Office of Fair Trading. *(Laughter)*

Mr North: No change there, then! *(Other interjections and laughter)*

Yes, the officers would all tell you that, but indeed I could have a very damaging effect on government. Now, what are you going to do? Are you going to reconvene Tynwald during the summer recess, because you would have to do so I think to get rid of me.

A Member: Read the Bill; it does not apply to you.

Mrs Crowe: I know it does not apply to me, but I am making the point about Tynwald appointments. If for some reason during the summer recess there was a minister going wayward or whatever happened - someone could pass away, presumably; I mean, it has been known, do we reconvene Tynwald to reappoint the team? *(Interjections)*

The Speaker: Hon. member, it is customary to address the chair rather than individual members.

Mrs Crowe: Oh, I am sorry, Mr Speaker, I get . . .

The Speaker: You get carried away, yes. *(Laughter and interjections)*

Mrs Crowe: Mr Speaker, I did not raise the subject of department membership; in fact, my hon. colleague from East Douglas raised the problem of her recent unfortunate episode within the

department, and how much better it would be if indeed that was a Tynwald appointment, but I do believe that that is not covered in the Bill and that also needs to be clarified. I do not think that the membership of the departments is in the Bill at all, but what is in the select committee report and what has not been touched on, as my hon. colleague mentioned, was the membership of departments. This is mentioned, I think, twice in this select committee report, and -

Mrs Cannell: On a point of order, Mr Speaker, the member is referring to a report that is due to be debated by Tynwald, not this House.

The Speaker: You are correct.

Mrs Crowe: I am so sorry, I am referring to the Report on the Select Committee of Ministerial Government, and in that report membership of departments is mentioned, and the one department that is mentioned on two occasions is the Department of Education when it says: 'There are 15 elected members' and I believe it might have been a previous minister, Mr Kneale, who refers to the fact that he felt there should be no other membership of that particular department. Now, none of the issues that were contained in the membership of departments in this report has been addressed. Does every department need four, two, three? These are the points that my hon. colleagues from Rushen made. There is a lot of substance in this report that has not been touched upon. *(Mr Downie interjecting)*

I do believe that if we had a system whereby this team of skittles was put up by a Chief Minister they would be knocked down, if not on the whole then certainly one by one by the opposing chief ministerial team. I think the system that we have at present is perfectly adequate. If we have no confidence in the Chief Minister we know what to do: we can bring forward at any time a vote of no confidence in either the Chief Minister or his team, and that would be the way to address this system, not to impose this system. We have already heard mention from my hon. colleague. My hon. colleague, the former Chief Minister, has mentioned to us that this system was tried and discarded, I think he said, in 1986 - *(Interjections)* In 1989, I am sorry, I just made a swift note. As the former Chief Minister has told us, it failed. Why do we not listen to the voice? If it has failed once why are we going back to a system that failed? It is a nonsense. Mr Speaker, I am pleased that you allow me to speak. As I say, I would just like some of these queries answered. I do not feel that this has been addressed in the Bill in any way.

The Speaker: Mr Braidwood.

Mr Braidwood: Thank you, Mr Speaker. I will be brief. I was quite amused, actually, when the hon. member for Rushen, Mr Rimington, got up and said that he was woken from his slumber, or he had to look at the unedited *Hansard* for when Mr Rodan was moving this Bill, because I was nearly falling asleep myself when he was half-way through his presentation. *(Interjections)*

Mr Speaker, my heart says one thing, my head says another.

Mr Karran: I thought you were schizo! *(Laughter)*

The Speaker: Hon. members! Thank you.

Mr Braidwood: When I look at clause 5 and I say my heart says, yes, it should be Tynwald voting en bloc, my head says it is unworkable. As far as I am concerned, once we have a Chief Minister, a Chief Minister should be able to pick his team, not then presenting it to Tynwald, and I think other members have already mentioned it would be one side against another. We could be in limbo for months unless we go on voting separately, and that is my whole point: it should be left to the Chief Minister and my head rules my heart on this.

The hon. member for Rushen, Mrs Crowe, said we would have to keep coming back to every Tynwald. If she looks at clause 5, under (4), no notice of any motion needs to be given. **(Mrs Crowe: No.)** The Chief Minister can bring back straightaway to Tynwald a different team *(Mrs Crowe interjecting)*

The Speaker: Hon. members, all afternoon there has been an undercurrent of sub-debate. Hon. members, according to standing orders, there should be no talking and the member should have the floor. Mr Braidwood.

Mr Braidwood: Mr Speaker, so no notice of motion needs to be given. I do honestly believe if this receives its second reading that we have to look at amendments on the clauses, because Tynwald voting as one body - my own personal view is that Tynwald on many an occasion votes separately, it votes as the Keys and it votes as the Legislative Council, and if they are different then they come back as one body, and I honestly believe that it should be voted on separately - Keys and Legislative Council. But at the present time - I said, Mr Speaker, I would be brief - I will be voting against this Bill because I do feel that it should be that once a Chief Minister is in place he should be able to nominate his own team.

Mrs Crowe: Hear, hear.

The Speaker: Can I call upon the mover to reply? Oh, Mr Brown.

Mr Brown: Yes, thank you, Mr Speaker. The Bill before us - hon. members, I am sure, are clear of my views on this system - is a Bill that I oppose, and I do not oppose it for the sake of opposition; I oppose it because the system, as the last hon. member who spoke said, cannot work simply because we are a small legislature and because of self-interest, and I think a number of members have demonstrated already the political side of that involvement and self-interest.

As far as a system like this is working, we have tried it. We had it in 1986, we had it in 1989, it was then changed because Tynwald, and especially the House of Keys and its membership, said, 'It does not work.' In 1986 the first Chief Minister of this Island was elected unanimously and without any opposition whatsoever. Within 10 days of that unanimous support for a brand new system, when Tynwald was asked to support his ministerial team he had a substantial number of members vote against that team. Why? (*Interjection*) The simple answer is straightforward: if you are not in the team, why should you support it?

Mrs Crowe: Absolutely!

Mr Brown: So everyone is happy to fight and support who they think is going to win as Chief Minister because that then means they have a chance, if he knows they supported it, of becoming a minister. But if you then say to Tynwald, 'By the way, Tynwald, you then will have the final say on the Chief Minister's team', if you are not on it you are asked the question, and the simple answer, to any member who is worth their salt, is 'If I am not on the team, why should I vote for it?' That is the reality of what happened in 1986 and that is the reality of what happened in 1989.

In 1986 remember that ministers then were only chairmen of boards still, they were only minister in title. They were still a chairman of a board, the board operated as a statutory board exactly the same as any other board of Tynwald operated under the 1951 Act, operated as boards of Tynwald had operated before, but instead of there being 24 or 26 to basically provide enough jobs for everybody, there were now nine and, as the Chief Minister said, that made a big change. So once you had nine, you saw the shift. Part of the argument that is continually being put about the need for this legislation - and it is interesting that we have had the battle since 1990, in 1992, 1993 and again in 1996 to try and get back to introduce this system - part of the argument has been because the system we have now creates a club.

Well, Mr Speaker, in 1981 I was first elected to the House of Keys, and at that time I suggest that the majority of the members of the House of Keys were far more understanding than previous Houses had been, but there was still a club, and the club was called the members' election committee or something like that (*Interjection*) - Selection Committee - and they used to make sure in Tynwald, because they had a meeting before Tynwald sat down to elect who would be on that Selection Committee, and they would go to someone's house and say, 'Right, we will all be on it', they come to Tynwald, 'Right members, from the floor let us elect our Selection Committee', and of course, being a na•ve young fellow of 31, thinking that genuinely, like the hon. member for

Rushen, people will put on the people because they think they are the right choice - no, no, they went on because they all wanted to be on Executive Council. So they then got themselves elected in Tynwald, then they scurried off into the Millennium Room and they put this big blackboard up and they made a list of who was going to be chairman of this board and that board, and they said, 'These are the boards that are on the Executive Council' - which is far more than there are today - 'Yes, we are on the Selection Committee' and, surprise, surprise, when the Selection Committee came back to Tynwald with its nominations, all the members of the Selection Committee were chairmen of the main boards.

A Member: It is no different to what happens now.

Mr Brown: It is a lot different than happens now and will explain that when I get to it. (*Interjection*) No, there is a fundamental difference, Mr Speaker, which I will come back to. So the system was, the boys got together, they then went to Tynwald and got Tynwald to support them being the chairmen of those boards which put them on Executive Council, and then you had a situation where they then got on and ran the main boards. We then introduced, following on from that, after a Select Committee report, the system that happened in 1986 and 1989, where the Chief Minister was required to get the approval of Tynwald for his nominations.

Members keep thinking and saying, 'It is important that Tynwald has the final say.' Well, my view is, the most important decision Tynwald has after the general election is to elect its Chief Minister. You cannot expect to have the power to elect a Chief Minister in our system, have the power to fire him, which you have by a vote of no confidence, which then means his whole team goes, and have the power and say, 'But we want to appoint your team'. In other words, 'We elect you as Chief Minister but the day we have done that we do not trust you because we want to make sure who is in your team is who we want.' Fundamentally another issue comes aboard, and I have been a minister in both situations, as some others have, and it does not worry me whether or not I am a minister, because my view, and the reason I am in this House, is because I care about the Isle of Man and I am here to do what I believe is best for the Isle of Man, and that is why some members think I am arrogant, that I fight back and so on, but I am not here to be a puppet; whoever it is, I will fight for what I believe in, and if that upsets somebody I do not give a monkey, because once I go outside I will get on and do the job, and if they have got a problem and they still need my help I will help them, but that does not mean I will not fight for what I believe in, and that is why I am politics. I am not in it for the money, I am not in for anything else, I am in it because I care about the Island I live in, and that is the only reason I came into politics. So therefore, whether I am a minister or not is irrelevant. I have had the privilege of being a minister and I have had the confidence of two Chief Ministers to do my job, and I hope I have never let them down, and for that matter I hope I have never let the Island down.

But quite clearly there is one addition under the 1986-89 system which we are being asked to endorse again and put back into legislation - that is, a fundamental difference in the state of a minister. If you approve this legislation the minister has the comfort that he has then been approved by Tynwald. You have compromised Tynwald. You have mixed up the parliament with the executive. You have brought them together again. (**A Member:** Yes.) You have made it that ministers will stand up - and they have stood up, as you know - and have said under the old system of 1986-89, 'I am appointed by Tynwald and therefore this is what I want to do'. As a minister today under this system, and since 1991 when it came into being, I and all the other ministers who have been ministers in that time have not got the comfort of saying they are approved by Tynwald, because they are answerable to the Chief Minister, they are answerable to Tynwald, they are answerable to the Keys, and that is where they are answerable.

The hon. member for Rushen, Mr Rimington, was absolutely right when he said it is the scrutiny of the executive that matters. (**A Member:** Yes.) It is making the ministers answerable to Parliament that matters and it making them justify what they are doing that matters. I am one who often says to members - and have recently said this, 'But it is your job to question me, it is your job

when I am taking anything through, whether it be the Bill I took yesterday or anything else, to question me to make sure I have thought through what I am doing'. If you do not believe what I am doing is right, it is your responsibility to reject it, not just go along with it because it is me; it is your responsibility, and we all know that. You change the situation, you change the whole ball game.

We know this system that is being proposed again does not work. Mr Speaker, our first Chief Minister, Sir Miles Walker, and our present Chief Minister, Donald Gelling, member for Malew and Santon, have both been, as the hon. member for Onchan, Mr Karran said, moderate people who want to involve people into government. They have gone out of their way to involve people in government, they have put themselves under pressures, and I know because I have been there, I have seen it happen, where they have actually taken on board people where there are clear clashes of personalities within the membership, but have brought them on for good reasons, and they have said that this is in the best interests of the Isle of Man.

Not long after 1986, when the new system came in - and do not think it will change what happens now - there was a backbench group set up, and it was a number of members who were not in the executive. Within months they started to say 'Hang on, we are not ministers' - some of those who, by the way, voted against the team that the Chief Minister wanted, although they had unanimously supported him - and they started to put together their policies and they started to agitate. It is nothing new. (*Interjection*) Then we saw the involvement of the APG, and I have to say the bitterness, the split, the agro started because of the style of the APG, because the APG went out of their way to be aggressive. They went out of their way to destroy the first Treasury minister we had - they publicly humiliated him time and time again, and that is what happened and those of us who were in Tynwald at the time know it happened, and it was their policy to destroy as many ministers as they could because they wanted to undermine confidence in government, and they are still doing it. This system, if you allow it, will happen. We know what goes on in the Members' Room, all the time creating mistrust - 'You cannot believe him - he's a minister.' 'You cannot trust Brown - he's a minister.' It goes on all the time, agitation, but if they were in government they would be wonderful, and that is the whole thing. We are a small legislature; there are going to be differences of opinion, and I do not mind differences of opinion as long as it is for the right reason and as long as, when people are saying what they are saying, they are saying it because they believe it, not because it is just a way of undermining the executive, because at the end of the day it not about us in here, it is about the Isle of Man and its people, it is about the Isle of Man and its economy, it is about the survival of the Isle of Man, and we will always have differences because we are, in this House, 24 independent, different people with different views. Even the party, for goodness' sake, the Labour Party, the only party, has two members who have one common factor, but outside that - and you see it here often and always have done since I have been in - they have different views on nearly every subject because the Manx parliamentary system is made up of independents.

One of the problems with this legislation is most of the people who want this legislation want party politics in the Isle of Man, and the mover of the Bill is exactly that sort of member. He wants party politics in the Isle of Man. I am sorry, the people do not want party politics in the Isle of Man, and when they do they will let the Island know. It is not for the parliament to lead party politics, it is for the people to lead party politics and there are people in here who see the only way for power is party politics. Well, I do not agree with that. The way to ensure the Island is secure, has stable government and has its differences is in fact for the Island's parliament and legislature as it is, because it is small, to have the system we have, because do not think that by having a party political system you will help everything go along; you will not.

We hear about the block vote of the Council of Ministers; the Council of Ministers has a statutory duty - it is not just because they do it for the sake of it - on behalf of the people of the Isle of Man to ensure the good government of the Isle of Man and make sure that our responsibilities are carried out in the best interests of the people of the Island. The Council of Ministers meet formally to thrash out all the different aspects of its policies and what it is doing, and the members

of departments have a major input into the budgets, have a major input into the policy documents, and everybody knows that. I find with members, you hear members say, 'My minister is great, I have no trouble with my minister, it is just the other ones,' and when the members move to another department they are happy with the new minister they are with, and then it is the other fellow who is the problem. At the end of the day that is the nature of the animal, because we are here to question, criticise, support, hassle, whatever you want to say, on occasions to do what you think is right for the Isle of Man.

So why go back to a system that has failed? It is certainly not in the best interests of the Isle of Man, but it is certainly in the interest of some. That is why it is being pushed so hard. I do not know what will happen after the next general election, none of us might be here, but what we have to do is make sure that the system that is in place is a system that works, and if it does not work then change it. But even the select committee who looked into this did not prove, as the hon. member for Rushen said, Mr Rimington, that the system does not work; the problem with the select committee was that when they were appointed we all said 'Well, we know where that report is going', because the majority of them were in favour of this change. It is as simple as that. They did not listen to the evidence. I gave evidence to that select committee and the select committee took virtually no notice of it. They listened, they were courteous, 'Thank you very much, Mr Brown, bye-bye', but that was about it. (*Interjections*) When you think about it - and I am not saying they had to necessarily agree with everything I said - they did not even answer the fundamental points of democracy.

For the first time the Isle of Man in its history has got a true democratic system: a separate judiciary, a separate parliament, and a separate executive, and we are talking about bringing the two back together by Tynwald approving the nominations of the ministers. That is what we are talking about, and once you have got that, parliament and government become one again. If you think that then it is going to make a fundamental difference to how ministers carry out their responsibilities, how departments carry out their responsibilities, you are absolutely right, but the fundamental difference will not be the way you think it is; the fundamental difference will be that the ministers will feel more confident and will have greater comfort because they have actually got the approval of Tynwald, and they will put, when necessary, the appropriate number of fingers to the Chief Minister if they feel they have to do that.

At the moment there should be loyalty to the Chief Minister, but loyalty is not at any cost. If you have a fundamental disagreement you have the option to resign, and you should if you have a fundamental disagreement - if you have any principles you should, and integrity. So the whole thing is based on a system that actually can only work on trust, and the biggest problem in recent years, I have found, is the lack of trust between members. It has made the job worse, it has made the atmosphere horrible (**A Member:** Yes.) and you have got members who are genuinely working hard to do the best for the Island, and you get the situation where there is a lack of trust. You even have a situation where you will say to a member, 'I will do that', they come into here or another place and they stand up and they still lambast you - I am not saying me, I am saying whoever - and that is what discredits the system.

If we move onto the system itself, Mr Speaker, you then have a situation where the Chief Minister will put forward his team under this legislation, has to get his team approved, and if he does not, what then? You go on and on and on, and for the first few weeks of the life of a new House after a general election there would be nothing more damaging than if we have a situation where within the first three or four weeks of a new administration the people outside see mayhem and all they see is us bickering straightaway, because that is how it will be portrayed outside, and the press will love it as they always do, because that is their job. They will think it is wonderful, the headlines will be there: 'They cannot even do this.' That is what will happen and it will be wonderful for the press who have a difficult job to do, but it will be bad news for confidence in the Isle of Man. It will immediately colour people's attitudes towards the new House of Keys. They will say, 'We have elected this lot; they cannot even elect a team to look after the Isle of Man. What on earth have

we done?' That is what will happen, and I have to say there are people in here who want this to happen. That is why this Bill is here.

At the last election the present Chief Minister -

Mr Houghton: It is a government Bill.

Mr Brown: It is not a government Bill; it is a Bill that has been put forward because of a parliamentary committee report and the government has carried out its responsibility to bring it to the floor of this House, but do not believe it has government support as far as I know en bloc, but time will tell. You have heard who has spoken already. The point is, Mr Speaker, that when you have got a situation where the present Chief Minister got 21 votes against 12 for the hon. member for Ayre, with this provision whoever does not get elected as Chief Minister who is the candidate is going to go all out to make sure that that Chief Minister will not get his team because then he or she will end up saying, 'I resign, I cannot get a team' and who is going to step in the breach? 'I am here to save you boys, I am the man, elect me,' and of course, if things are in so much chaos and there is public criticism, the House will go with it because it has got no choice, and that is the reality of it. We need to be real in this. It is all right us having our political fights, our political banter, but, as the hon. member for Onchan, Mr Karran, said, this is about the Isle of Man; it is about how the Island is seen in the Island, outside the Island, by businesses, by those who want to invest, everything. This is not a game, this is the real world, the absolute real world, and to think that we should be different and go back to a system that has been proven twice not to work is absolutely crazy.

The other thing is, the people outside must wonder what on earth is up with us. They must think we are crackpots. Here we are, spending all this time discussing something in relation to how we get ourselves into power, whoever we are, and they must think, have we not got more important things to do than this? For goodness' sake, how many times are you going to talk about this? (**A Member:** Yes.) The nearest correlation I have got to this Bill before you is the STV Bill, and the same people who opposed STV are wanting this in, and they were not satisfied, because they are not democrats, until they get what they want, and they do not care how long it takes them, they will fight, they will agitate, they will undermine, they will create uncertainty to get what they want. And they have proved that record since 1986 in the different membership that has been there, and that is the problem we have, and that is the danger that is in front of hon. members.

One of the key constitutional features of a parliamentary democracy is that the political executive, in our terms the Council of Ministers, derives its mandate from and is politically responsible to the legislature. What makes a parliamentary democracy democratic is that once a legislative election has been held, the new legislature has the power to dismiss the encumbrant executive and replace it with a new one. Moreover, it is essentially, as a court, passing continual judgement on the record of the executive and continuous sentence on its future prospects. That is how citizens indirectly choose and control their government. That is what it is about, and hon. members here are going down the road of saying, 'We do not want that for the Isle of Man, we want to secure our club and make sure our boys are in power, because we are power crazy, we want to have this, we do not really care about anybody else but ourselves because we want to be in there.' All I can say is God help the Isle of Man if we go down this road, because we will rue the day that this happens because it does not work, it cannot work, we are too small a legislature for it to work, and it really will be an absolute disaster.

Mr Speaker, I hope hon. members will reject this Bill before us. I have to say that if it gets a second reading, then certainly I will be looking to make some amendments to try and at least make something out of this from where I come from. I am here as a Member of the House of Keys fighting my cause today, not as a minister, fighting for what I believe is right, and this Bill is wrong and I hope members will reject it.

The Speaker: Hon. members, standing orders say that at 5.30 we adjourn until the next sitting, and I propose therefore now to adjourn unless there is a motion to the contrary. Hon.

members, the House will now stand adjourned to the next sitting of this House at 10 a.m. next Tuesday morning.

The House adjourned at 5.37 p.m.