

**REPORT OF PROCEEDINGS OF  
TYNWALD COURT**

**Douglas, Wednesday, 21st March 2001  
at 10.30 a.m.**

Present:

The President of Tynwald (Hon N Q Cringle). In the Council: The Lord Bishop (the Rt Rev Noël Debroy Jones), the Attorney-General (Mr W J H Corlett QC), Hon Mrs C M Christian, Messrs E A Crowe, D F K Delaney, J R Kniveton, E G Lowey, Dr E J Mann, Messrs J N Radcliffe and G H Waft, with Mrs M Cullen, Clerk of the Council.

In the Keys: 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 Messrs T A Bawden and R B M Quayle, Acting Clerks of Tynwald.

*The Lord Bishop took the prayers.*

**Lieutenant-Governor — Appointment Process — Debate Concluded — Motion Carried**

**The President:** Hon. members, we had reached item 31 on the order paper, we are partly through the debate and as indicated last evening when we rose, the first to speak this morning is the hon. member for Peel, Mrs Hannan.

**Mrs Hannan:** Thank you, Eaghtyrane. What the committee did not consider with this report was actually looking at why we needed a Governor, because obviously that was not the resolution in the House at the July sitting of Tynwald. They had the motion as amended to consider before them. So the points made by Council as to what is a Governor and why we needed a Governor I do not think could have been considered by this particular committee because they were just looking at the very narrow point who appointed and how it could be rectified in the future.

But the position is that we are a Crown dependency. However, that is only, you might say, in name because except for common services and defence, for which we pay, there is nothing dependent about us. We heard yesterday of the position on economic affairs and the position that we have had to take up on our own behalf, as well as the Edwards inquiry. So there are a number of issues where we have in actual fact become less dependent on, you might say, the country of which we are a Crown dependency.

Now, it is very nice to have people come amongst us here to govern us and to move about in those sorts of circles, there are no two ways about it, and we can, as the report says, feel aggrieved that one of our own was not appointed to the post. But let us not pretend that this report is going to be some sort of panacea.

I was under the impression that this particular committee had a constitutional lawyer as its adviser - I believe it was Lord MacKay and there was great trumpet-blowing when he was appointed to this committee - and I wondered what the advice from that learned gentleman was, as I am not sure that it is actually covered in this report. Did he advise the committee to take this particular route of cementing our position, suggesting that it is put on a much firmer footing, suggesting that it is an either/or body which appoints, as has been pointed out by others during

this debate? It is either politicians or civil servants and people much closer to appointing Lieutenant-Governors in the past have spoken during this debate, pointing out some of the anomalies in this report.

In speaking to this motion on the agenda I have placed an amendment before members which says that this report should be received. My amendment proposes that the report be received and that is all. I am proposing that we started to dig a hole which I do not believe we should try to make any deeper. It has not been a satisfactory situation but the two recommendations leave the situation unresolved. The report says that the committee has reported on it and I think there is nothing better that we can do than receive this report. The report says that something else should be done and I believe that those issues which the committee has suggested should not be, in actual fact, progressed with and therefore the recommendations in this report should not be acted upon and therefore I would propose to the House that this report be received.

If we pass legislation and if we put it on a much firmer footing we are then in a situation where we are going to appoint a Governor for ever and a day and I do not believe that is the situation. I believe that, as I have demonstrated that we have become less dependent, that we do pay our way in the world for various issues, there may come a time when we will become more dependent, but for the last 150 years we have been moving away from the situation of being a Crown dependency, we have become much more independent and interdependent as other countries have been and therefore I do not believe that the situation in which this report actually encourages us to move to a more firm base is not the way to be proceeding.

The constitutional committee of government have looked at various issues such as this and in looking at these issues they have said that we have gone as far as we can go towards independence and I think this report actually takes us back a step, it actually takes us back to a step where it says, 'Yes, we accept that this is the position.' I cannot accept that this is the position. I know certain people were offended at the way that the last appointment of the Lieutenant-Governor took place but I think that, in a way, was because the situation was made public and in the past it has never been put into the public arena before the announcement has been made, who is the next Lieutenant-Governor, and to an extent I think that was what has caused the problem and I would hope in the future that things can be progressed and they can be progressed with the utmost courtesy, privacy and whatever until the announcement is made, if there is going to be another Lieutenant-Governor, but my position in this is that we should be progressing away from that. Our communications are much greater and while I think it is very nice to have someone come amongst us and play the role of Lieutenant-Governor, I think what we should be looking at is, is there a role in the future and what should that role be? I know that is part of the suggestion of the committee but that can take place without legislative backing and I would hope that this report could be received and placed on the table and not progressed and therefore I move the amendment standing in my name:

*That the words after 'received' be deleted.*

**The President:** Hon. member for Glenfaba.

**Mr Gilbey:** Mr President, I have great pleasure in seconding that amendment. I was particularly impressed by the extremely able speeches of the hon. Chief Minister and the member for Malew and Santon and the previous Chief Minister, Sir Miles Walker, the hon member for Rushen, and they, with their great experience, showed quite clearly the enormous dangers, weaknesses and pitfalls in the recommendations contained in this report and I could not explain those pitfalls as eloquently as they do and I hope that perhaps one or more of them may emphasise these even more, exercising their right to speak on this amendment, but in simple

terms it seemed to me they were saying we should be very, very careful of having a fixed and rigid set of laws and regulations for the appointment of a governor and more particularly for the duties of that person, because if we did we might get much more disadvantaged from fixed and flexible rules, duties et cetera than we do from a situation that has gradually evolved from precedent over many years, and indeed we have had the same discussion in connection with our total relationship with the adjacent isles where some people have suggested that there should be some kind of treaty between the adjacent isles and the Isle of Man, setting out just what the relationship is, and it has been pointed out that this could be extremely dangerous and we are in a much stronger and better in a relationship that has been evolved by precedent.

On a far less important point, I find it strange that people should want to get away from what they call the old-fashioned wording of the appointment. Surely many of us believe in tradition and history. Indeed our own Tynwald ceremony is based on that. The same people want us to get rid of such things as the fencing of the Court, which cannot have any possible real need in this modern day and age, so I personally do believe we should keep tradition and not just throw it out for no good reason. (**Mr Brown:** Hear, hear.)

The third argument, of course, is the recommendation in paragraph 19 that the selection committee should always be either civil servants from the Isle of Man and the adjacent isles or politicians from both, but we have no way of controlling who the adjacent isles appoint. I believe it is most unlikely that they would appoint a politician. They are much more likely to appoint the permanent secretary, as they did in this case, and that means that we could not send our Chief Minister if we entered into such an arrangement that they had to all be civil servants or all be politicians. We would find we had to send the Chief Secretary and although I believe the Chief Secretary is the man of the greatest ability and he has done a wonderful job negotiating with the OECD, it is not necessarily the case that we would want to be forced to send him rather than the Chief Minister representing us.

Therefore those are just three reasons why I believe that the amendment is absolutely right, that we should receive this report but we certainly should not agree to adopt the recommendations contained in it, many of which I believe are totally wrong and could be extremely injurious to this Island.

**The President:** Hon. member for Ayre, Mr Quine.

**Mr Quine:** Thank you, Mr President. Quite clearly the starting point for this exercise is the terms of reference and with regard to what the hon. member for Peel has just mentioned, of course, whether or not we need a Governor is not part of our terms of reference. So I think that was a point that had to be recognised by the committee to start with and the second point, of course, which has to be recognised, which is to state the obvious, is that we are a Crown dependency and as long as we are, the UK is in the position to call the tune. So I just make those two points as preliminary to the other comments that I would make in relation to this debate.

It does not alter the fact, of course, that it is open to us to seek to negotiate to change what the present position is, whether we seek to negotiate something that is embodied for the time being within convention, exercised by prerogative or whether it is in legislation. It is open to us to negotiate and that is the underlying message that is carried in this report. That to me seems to be quite clear.

I would say that given a choice as to what area we should devote our time to in terms of constitutional reform, this matter concerning the Governor would not head my list, but that is another matter. That has been put before this hon. Court and that is why we are dealing with it. It is not a chosen priority, it is a matter that has arisen, it is a matter that has been dealt with because

it has appeared. For my part I think we would be far better devoting our time to issues of testing Royal Assent, where that should be exercised. We would be far better devoting our time to testing this innocuous 'good government'. We would be far better addressing ourselves to where the advice to the Crown comes from, whether that should not be Island-based advice in a different form than it is presently delivered via somebody else. So those are issues which I think are much more fundamental to constitutional development, but that is not what this motion is about, that is not what we as a committee were asked to address. So we had to deal with it.

Now, as far as the conclusions reached in this report - and I am trying to simplify this as well as I can - there is essentially one principal conclusion that was reached in this exercise, conducted at the request of this hon. Court and that is that with proper protocol in place, or protocols, if you wish, in place, some of the outcomes could have been avoided, and I do not think that could be disputed. After all, let us bear in mind that this matter of the appointment of a new Governor was a scheduled event. A long time ahead we were aware that this was coming up. It was a scheduled event. It was something that was in the gift of the government to raise and to seek to put in place whatever procedure they saw to be the most beneficial, if they wanted, three or four years ahead. So it is not something that just popped up.

It would have been, I would suggest, logical and sensible, given that lead time, given the knowledge that these matters can be quite sensitive, to visit the procedures in conjunction with the UK and try to negotiate something which was more acceptable to us as a whole and not leave it to a position where we were confronted with a *fait accompli* because that is what we have ended up with, we have ended up with being put in a position of a *fait accompli* in relation to the procedures for this appointment, and I would suggest that as part of those negotiations, in seeking to putting in place improved procedures, it would have been logical to look at the matter of the make-up of the selection team which is addressed in this report and also to look at the reporting procedure back to the Home Secretary, rather than to jump at an invitation and get drawn into a procedure which quite clearly was seriously flawed.

Now, so far as recommendations are concerned - and the Chief Minister is absolutely right, there are only two recommendations in this report, so that is what we are being asked to approve, not recommendations, as inferred by the member for Peel - there are two recommendations. One is that we should start reviewing the appointment procedures now, taking us forward to a point where we need to recruit another Governor and, secondly, that in looking at those procedures there are a number of suggestions contained in the report which the government are invited to consider. Again, I am just repeating what the Chief Minister has said, no more and no less. That is what this motion is all about. That is what we are asked to endorse, no more and no less.

Now, what of those matters which we are being asked to consider? Well, again I think they can be stripped down to quite simple points. We have suggested in this report that a starting point would be to get a full and complete understanding of what is the role of the Governor. I do not think there is a great deal of clarity at the moment beyond what may be embodied within legislative provisions, but it is a changing scenario, has been changing, is changing and what your committee has suggested is that it would be opportune to take as a starting point a close look at the Lieutenant-Governor, look at the duties which he is performing in terms of what could be described as his internal duties particular to the Island and look at them in terms of his external responsibilities vis-à-vis of course the UK government and the Home Secretary, the Crown. I am sure that is a logical and sensible starting point for any review by the Council of Ministers or the government for to kick off from.

That is the suggestion, perhaps the lead suggestion, within this report. There is, of course, great play being made by one or two members about the expression of whether we should stay

with traditional expressions within the instrument appointing the Governor or whether we should look towards more contemporary forms of expression, not a matter I can get greatly excited about but it seems logical to me that if you are going to have a look at it, I would rather go for contemporary wording in the sense that contemporary wording is at least going to give you something which is clear and is relevant and not something which, if you read it - and it is there for you to read - at best is archaic and at worst, of course, is unclear and is irrelevant to a lot of what goes on today within the duties performed by the Governor. So, again I would suggest that is a sensible thing to look at. Will you accept it? That is a matter entirely for the government and ultimately, of course, it will be a matter which can be revisited by this hon. Court.

The next suggestion which is offered for the government to look at is to look at the qualifications and experience, in other words to broaden the scope from which we should seek to recruit the Governor. I would have thought that is a common-sense suggestion. Why should we restrict ourselves to one particular category? It might favour certain people, but that is not, I would suggest, in the Island's interest. It is in the Island's interest to, within reasonable bounds, broaden the scope and let us take within our catchment area categories which we believe, or which the government of the day form a view on, is going to offer the best scope to get the best candidate for the job. I just do not see why we should remain with tight parameters, restricted parameters and deny ourselves the opportunity to look at candidates outside what is a very narrow field at the moment.

Then we come to another suggestion and that is that we consider putting the procedures for the appointment of a Governor onto a legislative basis. Now, the suggestion from a number of those that have spoken is that if we were to do that, somehow - it still escapes me - we are going to constrain ourselves in terms of constitutional development and somehow the very fact that we look to a procedure for the Governor which is embodied within legislation from being within prerogative rights is somehow going to put a lanket on us in terms of our constitutional development. I cannot see that at all.

**Mrs Hannan:** You can't, you wouldn't.

**Mr Quine:** If you kept quiet you might learn.

**A Member:** From you?

**Mr Quine:** As far as both approaches go, we are going to be constrained by procedures whether we work from the prerogative rights of the Crown where we are going to be tied by procedures where one side has all the say or whether we go for procedures embodied within legislation where at least there is no room to tweak that. We know what we are working to, we know what the ground rules are and we know what the rules are if we seek to change that. I believe that offers a better position than what we have to work with at the moment and I do not see that it constrains us in any way. I honestly believe it would be an inherently better procedure than what we have now based on the Crown prerogative and it would be certainly easier for everybody to understand and there would be less opportunity for a one-sided intervention into that procedure and I must repeat, I do not see how that procedure, particular to the appointment of a Governor, inhibits the Island's constitutional development, and I certainly could not go along with the view expressed by the Chief Minister that if we adopted that procedure or if they considered that procedure and wished to adopt it, then they would be somehow leading themselves into a dangerous situation. I cannot see it, and assuredly if we are talking about putting ourselves into the strongest position and taking into account the best interests of the Manx people, then I think you need to build from a firm foundation, and a legislative base is the best foundation for that.

The hon. member for Rushen, Sir Miles, made reference to the fact that he felt this whole episode had caused embarrassment. I am not sure whether it is embarrassment to Sir Miles because he is Sir Miles or whether it is embarrassment to the existing incumbent or what, but I think that is hardly the case. I think it is absurd to say that it might be uncomfortable to debate certain matters, and under certain circumstances I can understand that, that it might be uncomfortable, but if that is the way that we need to reflect public interest and to carry into this arena public expression, then we should do so. I do not see embarrassment as being a reason why we should not seek to address a problem, so I cannot go along with him in relation to that matter.

He said that the voice and the views will harden attitudes. Well, I find that suggestion quite ludicrous. I suppose the corollary to that is that you do not put yourself in the position of, or at risk of, hardening attitudes - and I do not believe that that is a risk - but if you take that approach you are in effect advocating that we roll over and play dead and say, 'Yes, please stand on me again.'

As far this amendment is concerned that has been moved by the hon. member for Peel, the suggestion is that it be received, in other words that the exercise which this hon. Court set in motion be cast aside. I do not see any possible case for that. I do not see why that should be the case because, and I will bring you back if I may to what I said at the outset, there are only two recommendations in this report. One is that we start thinking now about the procedure for the next appointment and the second recommendation is that the matters in this report be considered, no more and no less. Other members will be on their feet, other members have been on their feet and they have put forward other views and I am sure the government will equally consider those views expressed in this hon. Court. But it is no basis for to cast this report and to disregard this motion because it is a sensible suggestion, matters to be considered, no more and no less. So I am very pleased to support the motion before us.

**The President:** Hon. member for Castletown, Mr Brown.

**Mr Brown:** Yes, thank you, Mr President. Well, it is quite clear after listening to the last hon. member that the APG policy is for total independence for the Isle of Man and it is quite clear to me that that is certainly not what the wishes of the people of the Isle of Man are.

**Mr Henderson:** That is a shameful comment.

**Mr Brown:** Mr President, this report, the hon. member for Ayre has made clear is quite innocent, quite an innocent report, and one thing I have learned about the hon. member for Ayre is how nice he is to put us at rest: 'Don't worry, boys, it's all nice and easy. Don't worry about it, don't worry. It only says to look at this issue.' But I would say to hon. members if you listen to what he actually said and if you listen to what the chairman of the committee actually said, it is slightly somewhat different to the content of the report and their ambitions of where they want to go, and I have to say that I thought it was very unfortunate yesterday, and I think very unfortunate, some of the unnecessary comments and inappropriate comments that were made by the mover of this report, Mr Speaker, when he actually presented the report and the words he said, which certainly seemed to say what he really means, as against what the committee is trying to say and I think that was certainly very unfortunate.

When you read this report it is interesting that we have a new style creeping into these reports in terms that the recommendations are not clearly laid out now as recommendation 1, recommendation 2, they are somewhat hidden into the future, if we look at this report. You have to find 'Where on earth is their recommendation?' and only that the word 'recommendation' is in bold print, you would not actually find it very easily.

Now, the first recommendation is relatively straightforward because that is the innocent one, that is not a problem. It just says government should look at trying to deal with this issue and deal with it earlier than it has in the past. That is fine, I do not think anyone can argue with that.

But then we go to the second report and it then says,

‘. . . that in entering into those discussions the Isle of Man Government give careful consideration to the proposals set out below, and the analysis of them’, but then when you start to read what is there below what it says, which of course we are being told, is ‘Don’t worry, members, it’s only being suggested.’ Well, we have seen before that these suggestions suddenly start getting questions: ‘Why haven’t you, Chief Minister, progressed this report? Why haven’t you done this? Why haven’t you done that?’ That is what we have seen happen before and that is what you will see happen from this report if that is what you are going to go along with.

Now, the hon. last speaker, the hon. member for Ayre, was on his feet talking about the situation with regard to Royal Assent and his concerns over that and other issues that he is concerned over. Well, we already know, because there has been a recent report that was approved by this hon. Court, that if you say, ‘We want Royal Assent not to be with the Queen’s representative on the Island’, then what you are talking about is independence because you cannot have it both ways.

Now, quite honestly, my view is that the situation we have is a very good situation for the Isle of Man and we certainly know that other jurisdictions, and certainly recent ones, would love to have what we have got and we are therefore in a fortunate position, and it might not be perfect for some people, and that is fine, that is their point of view, but that does not mean that we have to go along with the basis of this report.

Now, when I look at it and just pick a few points out, again we were told in our presentation that we should go along on the basis of, and it is in the report, placing the appointment on a legislative basis. Now, again, already that has been raised. Why do that? What on earth is the logic of that? And when we are told as an example, ‘Gibraltar have such a thing’, well all I can say from my meetings with Gibraltarian parliamentarians is they hate the system and if they could get rid of it, they would get rid of it tomorrow, because it ties them down so much, it is the last thing they want.

The hon. member for Ayre, when the hon. member for Peel interjected, said, ‘If you keep quiet you might learn.’ Well, that is the style, I suppose, that we expect from the hon. member. It does not surprise me that he said such a thing, but the point is that there are wiser people than us who have actually advanced us as far as we are, to get to the stage where we are, where we have far more freedom to deal with our own matters and deal with all our own internal matters. We are developing more influence on our external matters and, yes, it might be a bit of a struggle to get there but we are getting there and bit by bit, as our government develops, we are able to get more influence on our own affairs and to be represented externally, as we have seen from the OECD, as we have seen from other things, which are all developing bit by bit, and I have to say the danger from this report, and especially if we start putting things into legislative terms, as has been said, is we will start to confine ourselves and potentially start to draw back because we potentially could have restrictions put in our way.

Now, when we look at the report and the point of what we have got to consider or what is being suggested we consider, the legislation I have covered, but the one thing I find strange, and this has been flouted before, is that our next government, and again I quote from the report, ‘that between candidates of equal merit preference will be given to those who are Manx or of Manx descent.’ Now, I might not have any problem with Manx, I do not have a problem with Manx, but of

Manx descent? For goodness sake, how far back does that go and if you are willing to go back as far as you want to go, just because they are of Manx descent, why should that make it that they should be the Governor of the Isle of Man? What matters is that the person who is to be the Governor of the Isle of Man should be a person who has the right qualities. What their descendency is is totally irrelevant in that term.

The hon. member for the Council, Mr Delaney, made a point yesterday which I do not disagree with. He said part of the problem may be in the name. Why do we call the person now 'the Governor'? Maybe we should be evolving a new title for the person who is the Queen's representative on the Isle of Man. I do not disagree with that I do not disagree at all, because there has been a substantial change, and the member for Council made a very good point when he said and read from the dictionary the term 'Governor'. I do not have a problem with that, but the other bits in the report to me are just starting to take us to an area that I do not believe we should be going into, I really do not. A descendant of the Isle of Man is Dan Quayle, for example, he is a descendant. There are all sorts of descendants across the world, there are all sorts of descendants who are in the United Kingdom, but what is their link with the Isle of Man? No more link than anybody else. *(Interjections and laughter)*

So I just find that the report really just goes on and on about different things. There is a danger if you take the recommendations, certainly the second one, that this Court and whoever is the government in the future will be pestered, why haven't they done this and that and the other, and the point is that whoever is in that position stands up and says, 'Well, we've considered it and we don't agree with it.' The next thing is we can see the usual coming: 'Well, this is what we want and that's where we want to go.'

I think we should take the view that all we should do with this report is receive it, which means we note it, because I think that is all it is worthy of. The other option of course is to vote it out, but I think to note it is fine because you are just noting the report then. I do not think it does anything for us. I do not believe it is going to take us forward, in fact there is a potential of taking us back, as the hon. member for Peel has said, and one thing we can say about the hon. member for Peel is of all the members in this Court, she is maybe, and I hope I am not insulting her, the most nationalistic in terms of her views and has been -

**Mr Delaney:** Election year.

**Mr Brown:** Not just election year. Well, the hon. member for Council, Mr Delaney, says that, which again shows that he will say what suits. Everybody who knows the hon. member for Peel knows that she is the most pro-Manx person in this chamber and has been for decades and she is one, we all know, who will fight and develop what she sees right for the Isle of Man and its uniqueness, its heritage and so on and its history.

Now, the hon. member has made the point, who you would have thought would be saying, 'Let's crack on with this report', is saying, 'Hang on, this is likely to drag us back.' So I would say, yes, I listened very carefully to what the hon. member said because I think what she said certainly made me think more than what the hon. member for Ayre said.

I would also make the point that the previous Chief Ministers I think have explained quite clearly what the situation was, which are major advancements on our influence and our way of indicating to the United Kingdom and through to the Crown what our view is on these appointments.

So I would hope that members will receive the report, I believe it is something really that is about the best we can do with it apart from throwing it out and I hope members will receive it.

**The President:** The hon. member for Council, Mr Lowey.

**Mr Lowey:** Thank you, Mr President. I think I had better start by declaring what I am and what I am not. I am a member of this committee and I have been a member of the constitutional committee, I think, since about 1976, so I have been involved in constitutional reform for rather a long time and we have, in that time, made great progress, as the hon. member for Castletown has said, and it does not necessarily follow that when you have made great progress over, in relative terms, a short period of time, then you slow down in the progression. But we have got to come back to why this report was commissioned by this court (**Mr Delaney:** Hear, hear.) and we were given terms of reference to address it.

Now, I also want to declare that I am not a member of the APG. I am lots of things but I think most members of this Court know I am not a member of the APG, but I am a signatory to this document and I have to say perhaps we are tilting a bit at windmills and taking our eye off the report. (**Mr Henderson:** Hear, hear.) Hon. members, if you read the report, as the Chief Minister said yesterday in his contribution, he could accept the report, as long as those recommendations and proposals at the end which he then itemised were not mandatory, but could I say to the Chief Minister if he reads the report, and it is on page 14, 'The Future', it says - and this is a point that was touched on by my good friend Mr Brown from Castletown - 'Consideration of the future procedure for the appointment of the Lieutenant Governor must start from a recognition of the present status of the Island as a Crown Dependency.' Nobody has any objection to that and even Mr Brown says that is reasonable and fair. At the end of that paragraph, and I would draw it to the Chief Minister's attention, is 'We further recommend that in entering into those discussions the Isle of Man Government give careful consideration to the proposals set out below, and the analysis of them.' Now, the Chief Minister said yesterday in his contribution As long as they were not mandatory, he was quite prepared. Now, the committee is saying, 'Please give careful consideration to them', not mandatory at all, and yet we do seem to be getting ourselves into a position where somehow there is a fifth column at work.

The one thing that I have come to know is that when you are dealing with constitutional matters you do not achieve anything by just accepting the status quo and there are strong forces in this government, in the Establishment, and I have to say it, are very comfortable with the status quo and because of the status quo we got ourselves into a little difficulty over the appointment of the Lieutenant-Governor. Now, we have resolved that, so that is history, we have accepted that. What we are trying to do is say, 'Don't let us have that again in the future', and these are certain ways in which we think if you take these steps, or look at them carefully when you are considering them, we can do it. All right, there is no disagreement between us that they should be addressed earlier than they were.

Now, we are not alone. This argument is that somehow it is all one-sided. It is not all one-sided. Even the United Kingdom have recognised that there has to be change. They have already instituted change, without consultation, I may say, with the Isle of Man Government, by advertising the fact that they were going to advertise for those who wanted to take up the post, no consultation. They decided it was time for a change and this was what they were going to do - fine, and we recognise at the end of the day, after all of the discussions, this is a Crown appointment. We also recognise that in Crown appointments the Crown takes advice from the Minister of State for Home Affairs in this instance.

Now, I think the report is reasonable, I think it is balanced and forget really, hon. members. I think there are times for what I would call politics, and we are in an election year and I know it is all about politics, we would not be here if we were not, but there is a time where we ought to get rid of the politics and just read the text and accept the text for what it is. I am not naive. I do not ask this Court to be naive. But I do think perhaps the style of delivery is being challenged and we are making bricks without straw. I genuinely believe you are making bricks without straw.

If I may come to certain of the recommendations, for example, and if I may take the Chief Minister, he said yesterday that restricting applications for the appointment of the Crown. Well, we recommend that we do not believe that it should be for distinguished services to the Crown, and we did not know that the Chief Minister and the Council of Ministers had actually changed it and I can see the argument that he used yesterday as to why they changed it. From our point of view, looking at the advertisement, it actually restricts applications from anybody within the Isle of Man. Where in the Isle of Man is the opportunity for Manx people, except in very prescribed areas, where can there be outstanding service to the Crown within the Isle of Man? I defy you to tell me. I could think the judiciary. You are hard pressed, you have got to scratch your head and think. So therefore that was where we came from. That is not a heinous crime, it is not treason.

As far as I am concerned I believe it should be a wide service and then we come back to that very opening paragraph of 'What is the role of the Queen's representative on the Isle of Man in the twenty-first century?' That is not a crime either. As far as I am concerned there is a changing role, there has been a dramatic change, and I have been part of it and pleased to be part of it, and the Chief Minister is part of it, the former Chief Minister was certainly part of it and we have all been pushing for advancement for the Isle of Man. That is the declared policy of our present Chief Minister. Where and when we are all on board with that. What people seem to be objecting to here is because the constitutional committee have recommended certain steps to be considered, that is all, and somehow we are getting excited about it. Nobody should be afraid to examine them and if they are found wanting, as the Chief Minister gave a case, he answered certain points from his perspective at this particular time, I do not object to that, I do not object to him saying, 'No, I've looked at that and I don't think much of that at the moment.' It might be in two years' time it might very well be old hat and he would want to go further along the line, but I do not think you ought to reject the report or just to receive the report because of that. As I have said, the report is quite clear: these recommendations should be considered, that is all.

Now, can I take one other point and I do think this is important and I say this to the present Chief Minister and any future Chief Minister, that I do not believe we are going to advance the further development of the Isle of Man, government role to government in the UK, while we accept the principle where the Chief Minister of the Isle of Man goes down and talks to civil servants. (**Several Members:** Hear, hear.) Now, I do not say that in a derogatory way to my friends in the United Kingdom. I just think it is protocol. I do not believe it is right that the Chief Minister of the Isle of Man should be, and I am not going to be dramatic with the language, and say fobbed off with a civil servant because these are very senior men who know the system and how it works, but the courtesy should be extended to our Chief Minister to meet a minister of equivalent rank in the opposite government (**Mr Delaney:** Hear, hear.) in my view and I think until we accept that, we are not going to advance, and I say that not that the former Chief Minister or the present Chief Minister have been wrong, but let me take this instance and we are not going to get away from it on the appointment of the Governor. Our Chief Minister went down to sit with a civil servant, a senior civil servant, and an appointee of that civil servant who were the interviewing panel for the Lieutenant-Governor, or the reviewing panel or whatever the title is. Now, we had a politician there. We did not have any politician from the United Kingdom and it was going to make a recommendation. Now, I do believe in my view, I think it is a reasonable suggestion of the committee to say it should be either one or the other, and I think it is important to read the paragraph as it is printed in the report and I will quote it as item 19, paragraph 19: 'With respect to the procedure adopted for recommending a candidate to the Crown for appointment as Lieutenant-Governor, we consider that it is a procedure which should be exclusively the responsibility of either elected parliamentarians of the Isle of Man and the United Kingdom or civil servants from both jurisdictions', in that order. Now, perhaps I am too long in the tooth but I thought politicians made decisions and civil servants carried them out. Any disagreement?

**Mr Henderson:** Allegedly.

**Mr Lowey:** Perhaps I am wrong. Right, well that is somehow being presented as some sort of Machiavellian plot to undermine the procedures and will put us back. Well, until we adopt that attitude I am afraid when you come back you are going to have to stand up. We are not revolutionaries in this Court, we are evolutionaries, but it does mean movement and I believe that is a simple step forward that should be adopted by our Chief Minister, whoever he or she may be in the future, and I say that not to knock the present incumbent or past incumbents in any way, shape or form, I think they have achieved a lot and they always carry themselves out with dignity and represent this Island well, but I say if we wish to advance, we have to adopt these sorts of procedures.

I could go on but I think I am making the case: these are recommendations for consideration by whoever it is, no more, no less than that. The report should be received and the recommendations adopted. I really do think the Court would be misled if it thought it was doing anybody a favour and apart from which it would send out the wrong message not within this Court, within this Island but externally, and I do know who would be cheering from the rafters if this report got out that it had only been received and the recommendations had not been adopted. Whoever went down to represent the Isle of Man to progress constitutional reform would be treated better or worse. You know how they would be treated: it would certainly not be better. Support the recommendations, forget the personalities and keep to the principles just for once.

**The President:** The hon. member for Council, Mrs Christian.

**Mrs Christian:** Thank you, Mr President. I would like first of all to take issue with the comment of my hon. friend who has just resumed his seat in respect of the view of the Council of Ministers and government, as he has put it, being comfortable with the status quo. I do not think he has produced any evidence to suggest that the Council of Ministers is not promoting and seeking to promote change in constitutional relationships. He has made a statement which I do not think he has really backed up.

With regard to the report, we are getting very involved in the subtleties of the thing and from a personal perspective I feel that the only one which strongly can be supported is the first recommendation. I do believe that we should be looking at the aspects of the procedure involved in appointing the Lieutenant-Governor.

But I do agree with the hon. member for Castletown who has pointed out that the presentation of the report is in a somewhat different form from usual and I think we are moving here to a situation where I believe this should be a parliamentary issue and it is being passed back to government with a recommendation that government, in considering the matter, look at the items which are further recommended. I think this is a weakening of the position of parliament in these issues. Some members have expressed views on the other matters which government are being asked to consider but not many. It would have been much more preferable, I believe, to have had those issues set out as recommendations in this report (**Mr Gilbey:** Hear, hear.) so that we could have expressed a clear view here on those particular issues. The matter is now dragging on. It goes to the Council of Ministers for them to consider, it does not say they have got to report back to this hon. court, and as one member has indicated, it could lead to the situation where we will have a series of questions or following-up resolutions to say to the government, to the Council of Ministers, 'What have you done about this? What have you done about that?', and I do not believe that this forum is being used to get a clear steer on those other items which they are being, in terms of the recommendations, charged to consider and to give careful consideration to. There is, I believe, an opportunity here for a steer to be given which perhaps is not being given the fullest consideration.

I did consider moving that we only accept the first of the recommendations but I do believe that maybe there are views in the Court on some of the other matters which have not yet been made clear. I would give my particular steer on those that I think that by and large there are weaknesses in all of them and to that extent it might have been preferable for the Chief Minister to know what members felt about all of them.

I will follow the lead of the Chief Minister in this and accept that we receive the report, but with the proviso that I have grave reservations about those other issues that the government is being asked to consider. I do think they should have been dealt with by the committee and put forward as clear recommendations today so that Tynwald Court could have given a steer on them.

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

**Mr Rodan:** Mr President, I think it is very important that we keep a sense of proportion over this report. This report is to do with the appointment process of the Lieutenant-Governor of the Isle of Man. It is tinkering at the edges of constitutional objectives. I cannot help contrasting this debate with the one we had two or three months ago when we debated the fourth interim report on the constitutional objectives of the Isle of Man and I have to say that report, which had real meat in it, real things to say about our constitutional status and the way we were heading and indeed charting various options for the future, generated less debate than this one today.

I cannot help but feel that the fine-tooth combs are out today and they are going through this report quite unnecessarily, a report that in its intent does no more than direct the attention of government to the need to better look at appointment processes and instead we have got a debate about all sorts of things which the hon. member for Ayre quite correctly pointed out the committee were not asked to examine, matters which were examined in great depth and detail in the forth interim report which we debated recently.

Picking up one or two issues, however though, it is correct to say that one of the strengths of the Isle of Man's constitutional position is the fact that it is unwritten and it allows you to push, push at that door and perhaps go through it, but you push continually and through a process of constructive engagement and dialogue with the British Government you progress and that has been going on and is going on and therefore it is suggested that the reference in this report to enshrining in legislation the appointment processes and using the Gibraltar model as an example is held therefore to be inappropriate, but when you actually look at what the Gibraltar model is, it is not very much at all, it does not inhibit this process of constructive engagement from going on because the Gibraltar model is part of their written constitution and the fact that they have a written constitution, yes, could be inhibiting, but what that written constitution has to say about the Governor is very, very little other than that there shall be a Governor, provisions shall be made when the Governor is absent from Gibraltar for certain things to take place during that period of vacancy and for the appointment of a deputy, but that is all it says, it does not go into detail about appointment processes and so on, so I do not think necessarily it is a model, but the report is just holding this out, I think, as an example of how other places address the issue of there shall be a Governor because it does not even go into what the powers of the Governor, are to be. So let us not get too hung up on these things and keep a sense of proportion.

I see no point in voting for the amendment, for the reasons that have been very eloquently explained earlier, that the recommendations do no more than invite consideration by government of these matters in this ongoing process of dialogue and constructive engagement with the Home Office.

**The President:** The hon. member for Rushen, Sir Miles.

**Sir Miles Walker:** Thank you, Mr President. I am brought to my feet, I think, mainly because the remarks of the two members of the committee who have spoken, my hon. friend Mr Lowey and the hon. member for Ayre, Mr Quine, and it seemed to me listening to their contributions that what they were saying was that if it was not for reports such as this, then the status quo would prevail, and my hon. friend Mr Lowey said the forces of status quo are there and out and about and so on. I mean, if the status quo is as is, or the present situation, then I have to say I think he is wrong and I think history will show that this situation has evolved considerably over the last 15 years so that is not the status quo prevailing -

**Mrs Crowe:** No.

**Sir Miles Walker:** - that is an evolution of the system of the relationship between ourselves and the United Kingdom which I would urge hon. members to encourage that process to carry on, I think it is absolutely the right situation, and it seems to me that a number of the recommendations in this report act against that, they go to stabilising the situation: 'What is the relationship? What is the role of the Governor? Let's have it written down. What shall the procedure be? Let's investigate it and write it down.' It seems to me very often that that process of stabilising and writing things down can act against the interests of evolution, of debate, of persuasion and I do not mean by that what the hon. member for Ayre suggests I meant: roll over with our feet in the air, or my feet in the air. That has never been my attitude. But I do believe that our arguments should be well based, we should be out there persuading, we should be debating, we should be in dialogue and if the time comes where we need to demand things, then so be it. But let us make certain that those demands are in our sphere of responsibility and are attainable, because there is little that would cause us more damage than making demands that cannot be followed through and I think there is a danger in that.

So I was interested in the amendment to the resolution and the case made to support that amendment and it seems to me that case is a good one, and it is a good one because, as I say, there is a danger in considering and accepting some of the recommendations, and they may only be two in number but when you read the report there are a number of situations in there which, let us face it, are being recommended to the Chief Minister to consider very carefully and my guess is that in due course there will be some sort of contradictions between the decisions that are made by the Chief Minister and the Council of Ministers and what is being recommended for consideration in this report and it will be suggested to the Chief Minister and Council of Ministers that what is in this report, if it is adopted, the recommendations are adopted, should have been the way forward, and I see a danger in that. So let us keep some flexibility in the system, and the way to do that is not to accept the recommendations.

I do not believe that Gibraltar is the best one for the Isle of Man. I have to say I do not want a Governor in the Isle of Man that has the responsibilities that the Governor does in Gibraltar and I think he has far more influence over the internal affairs of Gibraltar than it does over the Isle of Man and much of that responsibility is exercised through the Governor. So of course they have got to be clear about the appointment. Let not that prevail.

As far as the tradition and so on in the terms of instructions are concerned, I am sure there is no problem in changing that and I think in the last 10 years there have been some changes to it, recommended or suggested by the Isle of Man at the request of the UK. So that is certainly not written in concrete.

As far as our participation in a panel is concerned, as I understand it the Chief Minister was invited to participate in the panel, a selection panel, as an evolution of the procedures that had gone before and I think that he would have been criticised greatly if he had said, 'No, I'm not going to participate because the other people aren't elected politicians.' (**Mr Gilbey:** Hear, hear.) Of

course he would have been criticised and rightly so, and I cannot believe there will ever be a situation where you get a group of UK politicians sitting down with our Chief Minister to go through a short list of candidates for our Governor. I do not believe that is the way it goes, and that does not mean that our Chief Minister should not meet with his counterparts in the United Kingdom, and my understanding is that when requests are made by him to do that, those requests are met.

This is an opportunity to participate in a procedure which is not of our making. We have some influence over it and let us get more influence over it, but the procedures are not of our making, and I believe that when there is an opportunity to influence, then we in the Isle of Man should take that opportunity.

So let us not work within tight parameters. Let us not write down all these situations. Leave a bit of flexibility in the system. Allow the situation to evolve. It has evolved over 15 years. My guess is that evolution will continue. We need to encourage it to continue and that will be the case. I think the members who moved this amendment to this resolution made the case for it and I am going to support it.

**The President:** Hon. member for Onchan, Mr Karran.

**Mr Karran:** Eaghtyrane, I was not going to speak to this debate. I have tried to keep out of this debate, because I find that I get so outraged when I listen to what I hear in this hon. House, to what many outside this hon. House know to be the reality.

The one thing I will say is that I have always believed in the Isle of Man in stability, stability, stability, but the fact is that the Establishment in this Island has always written the history of this Island and almost certainly will keep on doing so, with the vast majority in this hon. House. That issue is no thanks to the United Kingdom's London government, and I hear my good friend, and as one of the new members in this House that I have always sympathised with and thought was a bit of fresh air, I have to take issue about our unwritten constitution as far as the member for Garff is concerned, who comes from sunnier climes (*Laughter*), from Bermuda via Scotland. I think that it is wrong for him to try and make out about our constitution, our unwritten constitution. Our constitution is based on military force. It has always been so and it always will be as far as the United Kingdom Government is concerned. That is why you have the procedures that have worked out over the years and I think it is wrong for this House to try and rewrite the niceties of our history. They were bigger than us, we were beaten and they named the tune and we played it.

I think the situation as far as this House is concerned is this delusion that I have listened to in here of the niceties of the United Kingdom, that they will look after us. They have never looked after us. Our people in the thirties and the twenties were pleading, the trade union movement in this country were pleading to become part of the United Kingdom with an MP in there. But the local mafia which was in here, backed up by the Brits, would not have us, because the fact is it saved them money as far as taking over responsibility.

Now, this House is at the present time in the position where the people of the Isle of Man have got the upper hand. It is the first time in a long time, and I listened to the niceties of Sir Miles over there and our nice neighbours. Our nice neighbours! We are not even a thought in their thought process. So when my friend via his sunnier climes tells me he is an expert on our constitutional position, well I will tell him. Our constitutional position is the fact that until recently we had to have military bases on this Island in order to keep the natives quiet, and the natives we are not as loyal as he says.

The fact of the matter is in my opinion that I was not going to speak on this debate, I was just going to vote the whole lot out, because that is the way it is, but I am outraged, and when I listen to my good friend the minister talk about, 'This is a parliamentary situation, it's not a government

situation', she wants to live in the real world, who has lived here. The parliamentary situation has been lost as far as I am concerned. You put amendments to do your legitimate job in another place and you are seen as some sort of deviant, some sort of revolutionary. The reality is the hon. member wants to live in the real world. The House of Keys is but a rubber stamp for the executive. It has been and it has slowly evolved that way since we brought in ministerial government, and the reality of that is because of the fact that the sweeties of becoming a minister are far too impressive as far as most in this chamber here, your ladyship, that is the reason why. Just like the fact is that the reality of knighthoods and awards are too great as far as most in this hon. House are concerned, and I know I am hated for it, but somebody needs to be talking about the Island's situation. *(Mrs Christian interjecting)*

In my opinion, Eaghtyrane, the fact is what we should doing is throwing this all out and we should be having primary law to sort out the whole issue of the constitution of the Isle of Man. I do not want revolution, I want evolution. I am happy that the majority in this land now do not owe allegiance to this hon. Court. They do not see us as the real government as far as this Island is concerned -

**Mr Downie:** I wonder why.

**Mr Karran:** - and the reason why is because of the members in this hon. Court.

**A Member:** Join the club!

**Mr Karran:** I think the fact of the matter is, Eaghtyrane, I believe that what we should be doing is developing a proper, well-thought out strategy of where we should be going as far as the Island is concerned and the Governor is concerned.

I have to be honest with you, and there are not many things that I agree on with the member for Council, Mr Delaney, but the whole idea of a Governor and calling him a Governor and the image of a Governor something that we need to address and yet what we have in this hon. House is a responsibility not to allow the stability of this Island to be lost as far as the good government of the Isle of Man is concerned, but at the end of the day it will not be in Westminster and it will not be in Whitehall where the good government of the Isle of Man lies, it will lie in this House because they are not interested in this House, and what concerns me more than anything over this whole issue is the delusion of what really is the real problem within the Isle of Man in my opinion which is the fact that the stability of the Isle of Man is due to Tynwald and the House of Keys, not to the Westminster or the British colonial butt-kissing system that too many in this hon. Court and outside have wanted in the past as far as I am concerned, and I believe that this issue has to be addressed as an urgency because I believe that there are clouds on the horizon.

The hon. member for Ayre, the one thing that he said that I do agree with is the Royal Assent. The way that people in this Island and in this hon. Court try to legitimise the bastardy of the way that a UK Government can interfere in the parliamentary process of the democratically elected Government of the Isle of Man is absolutely scandalous and for any of you in this House to try and legitimise that affair is a scandal and is totally against the democratic principle the world over.

**Mr Downie:** Last orders! *(Laughter)*

**Mr Karran:** Well, I understand, Eaghtyrane, the likes of the hon. member for West Douglas, we understand where his loyalties and his principles are as far as this is concerned.

**Mr Downie:** For Queen and country.

**Mr Karran:** Like so many in this House, they just do not want to know what is important and what is important as far as I am concerned, Eaghtyrane, is this is a side issue. The issue of what the member for Ayre said about the Royal Assent is more important because at the end of the day

what we have to do is protect the economy of this Island and I do not believe that we will protect the economy of this Island because at the end of the day I believe 'Judge thy fellow man not in his condition, put yourself in his position.' If I was in the UK and I was in an inner city constituency and I had got nice Sir Miles Walker and a few others over here and I saw a big fat cat in the middle of the Irish Sea, I know what I would be doing and if we are silly enough to allow that to happen, then we deserve everything that comes to us.

I will not be supporting the report or the amendment, but I will be saying this, that as far as I am concerned this whole House, whether parliament members or government members, needs to start wising up about where we are going. We do not want revolution, but we do need to be protecting our constitutional armour and we are not protecting our constitutional armour because at the moment all we think is the nice little people down in Whitehall will look after us. Well, they will not. They have not done in the past and they will not do in the future, I think, if we read our history, and we do not want a situation where we walk around with chips on our shoulders, but we do need to realise the reality is the fact we must protect the Isle of Man and we are not protecting the Isle of Man at the present time.

**The President:** Hon. member for Douglas East, Mr Braidwood.

**Mr Braidwood:** Thank you, Mr President. I think we should get back to basics, (**A Member:** Hear, hear.) the terms of reference of the inquiry, particularly (2): 'requests the Standing Committee on Constitutional Matters to consider the circumstances leading to the appointment of the Lieutenant Governor Designate not of Manx origin, contrary to the express wishes of Tynwald, and recommend a course of action which would be likely to meet those wishes.' I do not want to get on to the constitutional relationship with the Isle of Man and the UK Government. That is being looked at. The Standing Committee on Constitutional Matters are looking at it. We have appointed Lord Mackay of Clashfern who is looking at the constitutional relationship at the present time.

I will only be brief and I think my two colleagues on the Standing Committee on Constitutional Matters, the hon. member for Ayre, Mr Quine, and the hon. member for Council, Mr Lowey, have expressed my opinions.

A lot of people think there are hidden agendas in this report, the hares are running, we want independence. Nothing of the sort. '. . . we recommend that the Isle of Man Government, recognising the frailties of some of the aspects of the procedure adopted in the immediate past, should begin to consider with the UK Government the appointment procedure for the Lieutenant-Governor, now rather than closer to the time when it is next likely to be used.' We can do it after the next election. It has been mentioned. The Chief Minister has no problem with that. He has no problem with the next recommendations, some caveats when we look at the paragraphs, and I must say that the hon. member for Glenfaba said about the letters-patent. They are obsolete, they are archaic. I am a great believer in tradition. You know Tynwald, 5th July. That is tradition, but that has changed over the years. Look at the letters-patent re the Governor: 'That you endeavour to make the people of the said Island thoroughly sensible of Our Royal Inclination to promote their happiness in common with all Our other good subjects and you will particularly explain to them the advantages to be derived from the protection of our Government' - for which we pay - and from their ready and cheerful obedience to the Laws aforesaid, which are so much calculated for their interest and prosperity. And for the better preventing of all illicit and clandestine trade which may be carried out to the prejudice of the Revenues of Our United Kingdom of Great Britain and Northern Ireland and of Our said Island, and to the detriment of the fair and industrious trader, you are hereby required to carry into strict and steadfast execution the provisions and regulations made or which hereafter may be made or that purpose from time to time.' That is archaic. Do you think that the United Kingdom, with the pressures they try to put on the Isle of Man for

spontaneous exchange of information, they are looking after our benefit? I think the hon. member for Onchan was quite right. They do not care at all. I could say other words, but I will not.

There is nothing in this report. We are just trying to make an analysis of what this hon. Court wanted.

Mr President, the amendment does not achieve a thing. So I would encourage the members of this hon. Court to vote for the report in its entirety. Thank you, Mr President.

**The President:** Mr Speaker to wind up.

**The Speaker:** Thank you, Mr President. I think first I would like to say how pleased I am that His Excellency the Lieutenant-Governor has chosen to be here for the debate and to emphasise to him, as I did in my opening address, that there is nothing personal, that we have welcomed him to the Island and Mrs Macfadyen and they know that they have given a wholehearted commitment to their role and the duties associated with it, that this report is solely on the process of the appointment of a Lieutenant-Governor.

Now, I want to emphasise from some of the things that have been said that you might have thought that the constitutional committee woke up in the morning and said, 'Right, let's right a report about appointing the Governor.' No such thing. We were asked, invited, commanded, by this Court to look into the matter in the terms of reference of the July sitting last year.

We have heard very many varying views, but that was the basis of our report, not to tip up the constitution, not to have any hidden agendas, but to look solely at the process of the appointment of the Lieutenant-Governor. You asked us to do it and we have done it, and what did we say? 'The appointment of the Lieutenant-Governor must start from a recognition of the present status of the Island as a Crown dependency.' We are a Crown dependency. The committee accept it and we also accept in this report that it is the prerogative of the United Kingdom to appoint a Lieutenant-Governor. But we would ask in this report that there is proper negotiation on the way forward so that the person is acceptable to this Island and bear in mind - and I refer to the comments of the hon. member for Council, Mr Delaney - the Lieutenant-Governor nowadays has not actually come to govern. The government of the Island is here in Tynwald assembled. Consequently, we recommend that the Isle of Man Government, recognising the frailties of some aspects of the procedure adopted in the immediate past, should begin to consider with the United Kingdom Government the appointment procedure for the Lieutenant-Governor, now rather than closer to the time of the appointment. Because what happened? There had been no thought put to the matter until too late in 1999 and so we are recommending - and we suggest after the election - the Chief Minister and the Council of Ministers, amongst their many other things, put their mind to open negotiations with the United Kingdom Government on a procedure for appointment on which all parties can be agreed, because, as has been said, it was not the Isle of Man Government that asked the UK Government to put an advertisement in the paper to make the appointment more transparent. That was a decision of the Home Office and I and the committee welcomed that advancement, but it was not done in consultation with the government of the Isle of Man. The decision was made and then there was discussion and what we are asking in this report and recommending, only recommending, is that discussions open so that there is clarity of purpose, a protocol is decided upon, so that both the Home Office and the government of the Isle of Man are both singing from the same hymn sheet, knowing exactly where they are going. So that is the first recommendation.

The second recommendation is that in entering into those discussions the Isle of Man Government give careful consideration, consideration, hon. members, nothing mandatory, to consider. That is the least we could ask. We could have put 'suggest' but we have asked to

consider, to give consideration, and if you consider something, you can accept it, amend it or reject it, but at least consider it and that is what we are asking Tynwald to recommend to the next Council of Ministers, to recommend and to give careful consideration to proposals.

Now, we are suggesting you might look for instance at the Gibraltar role. We are not saying it should happen. Let us look at it, think about it and if you think it is probably unsatisfactory, okay. It is unsatisfactory: move on. Consider how the selection panel should meet and I believe that if it is going to be a selection panel of senior civil servants in the beginning, then it should be senior civil servants from both sides until they have got to the final short list and then perhaps it should be the Chief Minister and a minister in the Home Office should then make the recommendation to the Privy Councillor who is the Secretary of State for Home Affairs to recommend to the Queen. But the mix between politician and civil servants we do not recommend, but if the Council of Ministers think it is appropriate, then so be it. It may be appropriate.

We think that perhaps the selection should be from a wider, base than purely those with distinguished public service to the Crown. But if the Chief Minister would prefer those with the distinguished service to the Crown rather than the wider horizon, so be it, but at least consider what has been said here today.

So I am delighted that the Chief Minister has said that he will support the report and the recommendations, because they are only recommendations, nothing in tablets of stone, nothing mandatory. He does not support all the suggestions but there are two recommendations. The first recommendation is that it is looked at and the second is a recommendation that thought, consideration be given to a series of suggestions.

Then we had two contributions from Sir Miles Walker. He prefers a less formal movement. He says that he is not comfortable with the status quo but he wants it to evolve. But if you want any movement forward you have to ask for it and you ask and you negotiate and you move forward. You will not always get what you want, but at least let us ask and push.

I thank Mr Delaney, the member of Council, for his support. The appropriate comment that I took up was the word 'Governor' and it may be that the Council of Ministers might consider in their negotiations with the Home Office whether the term Lieutenant-Governor might be amended in some form to represent the Lieutenant to the Lord of Mann. I do not know, but perhaps something could be done on that suggestion.

To the hon. member for Peel, Mrs Hannan, who asked why do we need a Governor, we are a Crown dependency. It is not the remit of this committee as to whether we should or should not be a Crown dependency, but we are a Crown dependency, our loyalty is to the Lord of Mann and the Crown and so long as that is the will of people, there will be some form of representative, formal representative, of Her Majesty the Queen.

One point I would add. Mrs Hannan said Lord Mackay had been appointed to the committee. He had not been appointed to the committee, never has been. He was approached and invited and asked would he consider looking at the constitutional relationship of the Isle of Man vis-à-vis the United Kingdom and he is looking at the basis of the constitution in the whole wider sense.

Mrs Hannan's amendment that the recommendations should not be supported cannot, in my view, be supported. We must give some guidance, Tynwald must give some guidance to the Chief Minister and the Council of Ministers to look at the whole issue of the appointment of the Lieutenant-Governor and do it in good time before the next appointment is made.

Mr Quine - I thank him for his support. He made a very lucid and erudite presentation of the report and of the thinking and he made two points, which I have already touched on, broaden the

scope of the selection and the make-up of the selection procedure which is seriously flawed must be examined, but that is our recommendation.

There was strong support from my colleague also on the committee, Mr Lowey, who made again another telling and forthright speech.

I thank Mr Rodan for his support.

I think the hon. member for Onchan, Mr Karran, had a wide-ranging review of the constitutional relationship in his opinion of the Isle of Man and the United Kingdom, wide-ranging and perhaps not quite in line with the general conception and thinking of the majority of the people of the Isle of Man.

I thank my colleague Mr Braidwood for his support.

I do not think there is very much that is left to be said. There are two recommendations before you, hon. members, to recommend a review of the procedure and to recommend that in reviewing the procedure the government of the day look at the suggestions, give consideration to the suggestions we have made.

I would ask you to reject the amendment because the amendment just leaves the report to be received, which is do nothing and just leave everything at the status quo. I believe that Tynwald, with pride in itself, with pride in our nation, with a positive commitment to moving forward should support the motion as printed.

I would just take this opportunity to say how fortunate I am to have with me on the constitutional committee the members Mr Braidwood, Mr Shimmin, Mr Lowey and Mr Quine and for the assistance given us in making the report of the previous Clerk of Tynwald, Professor Bates. Mr President, I beg to move.

**The President:** Hon. members, the motion before us is printed at 31 on the order paper. To that we have the amendment moved by Mrs Hannan that the words after 'received' be deleted. Hon. members, those in favour of the amendment please say aye; against, no. The ayes have it.

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

*In the Keys -*

*For: Mr Gilbey, Sir Miles Walker, Mr Rimington, Mrs Hannan and Mr Corkill -5*

*Against: Messrs Quine, Rodan, North, Henderson, Cretney, Braidwood, Mrs Cannell, Messrs Shimmin, Downie, Singer, Bell, Karran, Cannell, Gelling and the Speaker - 15*

**The Speaker:** Mr President, the amendment fails to carry in the House of Keys, 5 votes in favour, 15 votes against.

*In the Council -*

*For: Mr Radcliffe - 1*

*Against: The Lord Bishop, Messrs Lowey, Waft, Dr Mann, Mrs Christian, Messrs Delaney and Crowe - 7*

**The President:** Hon. members, with 7 votes against in the Council the amendment therefore fails and I put the motion as printed on the order paper, hon. members. Those in favour please say aye; against, no. The ayes have it.

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

*In the Keys -*

*For: Messrs Quine, Rodan, North, Sir Miles Walker, Rimington, Houghton, Henderson, Cretney, Braidwood, Mrs Cannell, Messrs Shimmin, Downie, Singer, Bell, Cannell, Gelling and the Speaker - 17*

*Against: Mr Gilbey, Mrs Hannan, Messrs Karran and Corkill - 4*

**The President:** Now, learned Clerk, will you please discount the vote of Mr Houghton. The vote had already commenced when he entered the House and that cannot be counted this morning.

**The Speaker:** Mr President, the motion carries in the House of Keys, 16 votes in favour and 4 votes against.

*In the Council -*

*For: The Lord Bishop, Messrs Lowey, Waft, Dr Mann, Mrs Christian, Messrs Delaney and Crowe - 7*

*Against: Mr Radcliffe - 1*

**The President:** Just the 1 vote cast against in the Council, hon. members, the motion therefore carries.

### **Iraq (United Nations Sanctions) (Isle of Man) Order 2000 — Amended Motion Carried**

**The President:** We turn now, hon. members, to item 32 on the order paper and I call upon the hon. member for Rushen, Mr Rimington, to move.

**Mr Rimington:** Thank you, Mr President, I beg to move:

*That this hon. Court take note, with concern, of the Iraq (United Nations Sanctions) (Isle of Man) Order 2000.*

Obviously I hope this item does not get as prolonged as the previous item. (**Mrs Cannell:** Hear, hear.)

In moving this motion I accept that the particular order in question relates purely to financial sanctions and regulations rather than trade and the movement of goods. However, it is one part of the overall United Nations sanctions regime imposed on Iraq and without the ability to open up accounts and move funds the prospect of trade and the acquisition of goods and services is extremely difficult. Nor in moving this motion am I challenging this sanctions order. It is an order applied to us by the Privy Council and that is that. There is no avenue for any challenge. Even if the order was presented to Tynwald with the option of voting yea or nay I would still not vote against it. The Isle of Man is not in the position to snub the international community and such an action would serve little practical purpose but seriously risk our prosperity. Last month's budget would need to be rewritten with greatly reduced figures.

However, this reality does not have to mean total subservience. We are a separate parliament with our own identity. We are increasingly relating to the international community as a small nation with its own voice. Whereas we accept the disciplines of the international community, we also have a right to make our feelings known, as demonstrated by the excellent speech of the Chief Minister to the OECD conference. Although we pay the UK a few million pounds for defence and external relations, this does not debar us from making our views known, both as a parliament and as a government.

The motion is constructed very simply. There are four key words which are 'take note, with concern'. 'Take note' is the action of expressing or recording an opinion in a moderate but calculated manner. 'With concern' means you are unhappy with the matter to be taken note of. It does not explain why you are unhappy and members could legitimately vote for this motion from

completely contrasting standpoints. I am not asking members to agree with my analysis of Iraq and the sanctions regime. The message that will leave this chamber will reflect the contributions made rather than a fully rounded resolution.

I also believe that from time to time it is healthy to consider humanitarian matters beyond our own shores. As a small island with few external responsibilities we are necessarily introspective in our deliberations. Our problems of prosperity contrast highly with those of the Iraqi people and likewise a good 90 per cent of the world's population.

I would like to assure the Court that I share the complete distaste for the Iraqi regime which I am sure other members feel. For four years I lived next door to a doctor of electronics engineering from Iraq. He was of the same dominant clan as Saddam Hussein and came from the same village of Tikriti But his face did not fit and he was exiled. In those days Saddam was the friend of the West and he was plied with arms as a bulwark against the fundamentalist Iranian regime. In those days it mattered little that he was busy persecuting the Shia minority and practising the use of chemical weapons by exterminating whole villages of Kurds. He was our friend. Unfortunately the monster we had created turned on the feudal and indolent Kuwaiti regime and threatened the West's oil interests and threatened the stability of the region. The monster had to go. It was a war of disgusting horrors. The destruction of the Kuwaiti oil fields, the enormous environmental damage did not equate to my idea for the respect for God's earth, as expressed in the Koran which the newly pious Saddam was then belatedly purporting to follow. The thousands of charred bodies on the road to Basra of retreating Iraqi forces and civilians at the hands of the alliance air force to my mind mocked the Christianity which our Western leadership purported to follow. The West miscalculated. They thought the Iraqi regime would crumble in defeat without the need for a final military push which would have been against United Nations policy. The Western powers believed that sanctions and other measures would then cause the regime to crumble and this did not happen.

The present policy of sanctions has failed. The Iraqi regime is as strong, if not stronger, than it was 10 years ago. Iraq is still engaged in the production of weapons of mass destruction. The regime shows a callous disregard for the welfare of its own people and manipulates the sanctions policy to bolster its own position rather than bringing much-needed relief of food and medical supplies to its suffering people. The only success of the sanctions policy has been the continuing suffering of the Iraqi people.

In their wisdom the alliance forces destroyed much of the harmless infrastructure of Iraq. Waste treatment plants, sewage works and irrigation systems were destroyed. Much of this critical infrastructure is still not working and no amount of food imports and medicines can remedy the situation. Unless the Iraqi economy is released from the current straitjacket of sanctions and other measures to contain Saddam Hussein's regimes are devised, the people of Iraq will continue to suffer from ill health and malnutrition.

The concerns I have on the current sanctions regime are reflected widely throughout Europe and beyond. On humanitarian grounds I believe a change is necessary and that is the message I wish to promote today.

Mr President, I look forward to what will probably be a brief discussion of the diverse views of other members and I beg to move the motion standing in my name.

**The President:** Now, hon. members, before we continue with the debate I would just point out to the hon. Court that the Iraq (United Nations Sanctions)(Isle of Man) Order 2000 which is referred to in the motion is dealing with financial and not physical sanctions, in fact if I read from the explanatory memorandum, it prohibits the making of funds available to the government of the

Republic of Iraq, and I note that the hon. member is referring to humanitarian grounds. I just ask members to bear in mind the motion which is on the order paper. Hon. member for Ramsey.

**Mr Singer:** Thank you, Mr President. I do not know if anybody was going to second this motion but I certainly think it needs seconding in that it is open to discussion because while seconding in order to get it on the floor, I will be strongly opposing it.

The resolution moved by the hon. member for Rushen, Mr Rimington, gives hon. members the opportunity to discuss foreign affairs, however misguided are the terms of the resolution and his explanation, certainly his misunderstanding of what is going on in areas far removed from the Isle of Man and while he says he thinks we should put it on the floor and that this will have no effect, I think he is wrong because with worldwide communications as they are and if this is reported on the internet, the sort of regime that is there in Iraq at the moment will be only too pleased to exploit what appears to be support from the West and I think we should not underestimate that possibility.

I cannot understand why the hon. member has chosen to ignore the facts and to seek to justify the lifting of restrictions against a tyrant who has led his people into two disastrous wars and who is clearly not affected by the fact that he will murder his own people at will. If you were an Iraqi Shiite living in the south of the country or an Iraqi Kurd living in the north of the country you would not be wishing to give this dictator free range to commit genocide against his own people, which has only been prevented by the international community monitoring his troops and banning his aircraft movements.

The United Nations sanctions order under discussion does, as you have said, Mr President, make it an offence to transfer funds to Iraq, either to the government or to those living in Iraq, or to withhold information of somebody or some government that has done such a thing. But we have to understand and I think we have to discuss why this sanction is so important because Saddam Hussein would not use this money to better the lives of the people. This is a man who has built 48 new palaces for himself since the end of the Gulf War. How much of that money could he have spent on reconstructing his infrastructure for the people? This is a man who has designs on his neighbours' territories, on his Arab neighbours' territories, and who wishes to continue manufacturing chemical and biological weapons which he has previously used and tested on his own subjects. Lift the sanctions, put the money into Iraq and that is exactly where the money will go, and he is the person who justifies the need now to the United Kingdom to co-operate with the United States in establishing these early-warning systems, as it is from Hussein's direction that the threat of future world war will come.

The hon. member for Rushen appears to believe that United Nations sanctions are causing the Iraqi citizens, particularly the children, to suffer from illness and malnutrition. Well, the United Nations, under its oil for food policy, strongly resisted by Saddam, enabled Iraq to freely import food and medicines. In fact Iraq has only used a fraction of the money set aside for the nutrition of children and pregnant and nursing mothers and has imported none, I believe, in the last 18 months. Child mortality in Iraq is lower now than before the Gulf War, except in the south where Saddam Hussein controls a programme of relief and in the south child mortality has doubled, and there is thought to be over £100 million worth of undistributed medicine and medical supplies in Iraqi warehouses. The excuse he uses is that there is no transport to move them around the country. However, there seems to be no difficulty in moving troops and missiles. There appears to be no difficulty also in exporting and selling the food and medicine meant for his people to other Middle East countries.

It is not possible, as the hon. mover seems to want to do, to apply civilised thoughts and ideas to the actions of this dictator. To do so, I believe, is woolly-minded liberalism, giving the

man strength and comfort. Saddam Hussein deliberately misuses resources. He is sacrificing his people's welfare to bring an end to United Nations sanctions without complying with our obligations.

The hon. member for Rushen's complaint against a quite justifiable continuation of sanctions is rather reminiscent of Mr Chamberlain returning from Munich waving his piece of paper declaring, 'Peace in our time.' How many more times will it be before the lesson of appeasement is learned and further genocide is avoided in the world? I hope that members will strongly reject this resolution.

**The President:** Hon. member for Council, Mr Delaney.

**Mr Delaney:** Mr President, I am still not clear from the mover - maybe I have missed something, I probably have - what the alternative is to what is going on. Now, I want him in his summing up to tell me. I am as sad as he is and every member of this Court and every person who works with us, everyone on the Isle of Man, for the children and the mothers and the sick and the old and the aged, in the Isle of Man, with these sanctions causing these things, but he the leader, like it or not, is there and he has brought this on his people. I could criticise and have done what happened at the end of the Gulf War. After all these massive troops - and I have been to Kuwait, by the way - without the oil it would be back to the desert as it was within three or four weeks. That is exactly what happened after he moved in and the armies moved in to get shut of him: it virtually went back to sand.

The situation that man has got them into is because of people, with due respect, who said, 'Stop at the border of Iraq. That's as far as we can go.' And where are they now, these people? Where are they? All the do-gooders who said, 'That's all we can do.' If we had gone in and seen him off we might have saved the suffering of these people. But people said, 'Oh no, stop. That's as far as we're going.'

Now, the hon. member has got a good idea here, 'view with concern'. All of us are viewing with concern what is going on as far as the ordinary sufferers of this dreadful man, but I want to hear what an alternative is to sanctions against him because then if we do not have sanctions he will build up again because a dictator like him only can survive by creating war against his neighbours. History is covered in them. I would like somebody to tell me what the alternative is, because I would be the first to jump up with both hands and I am sure everyone on the Isle of Man would. But nobody has given us a logical opposite view to take against Saddam.

I agree with parts of the history he has referred to and there are more knowledgeable people than me who can tell him. But I can tell you one thing, that if he is allowed to carry on building up forces, it is our troops, it is your neighbour and my neighbour, your son or grandson who will finish up going to war and possibly getting killed by him. This is what happens unfortunately, and it is not us, the older people, who will fight the war, it is the younger people who will die for it.

I honestly believe that if there was an alternative, the world would have taken an alternative, but the only one I have ever seen is somebody with God's blessing puts a bullet between his eyes and hopes that the fellow who takes over from him is not as bad as he is, because that is history. Until you get shut of them, things never improve.

But please tell me when you are summing up what the alternative is to what we are doing because I want to hear it. I will vote for it if it is better and it will cause less suffering than is going on there now, but tell me, please, what I am voting for.

**The President:** Hon. member for Peel, Mrs Hannan.

**Mrs Hannan:** Thank you, Eaghtyrane. This situation has been brought about primarily by the West. It is down to the capitalist economy selling military hardware to these countries, and as the mover of this motion before us today spoke about, Saddam Hussein was our friend and, yes, he was and, yes, he was very good for the economies of the world buying in military ware from wherever and taking on his neighbours who were deemed to be a threat to us all.

The motion is about finance. One of the biggest things in the world today for free movement is capital and capital is moved very freely and I am sure capital gets into Iraq. However, one of the things that no country wants is people and what happens here is that it is the people that suffer. It is the people whether they are being gassed, whether they are being bombed, whoever they are being bombed by. You might say the majority of them are the innocent victims of this capitalist economy. George W Bush, newly elected, bombed the country. Why? To satisfy the people that had supported him for election because he needed to satisfy them to sell the armaments to these countries and to the American army, obviously, American armed forces, so that they could bomb the country, so raising their finances.

So it is a very, very complicated issue. Finance is one thing and I am sure even with the sanctions, because sanctions are in place, Syria recently bought millions of pounds worth of oil from Iraq, totally disregarding the UN sanctions. A lot of countries disregard UN sanctions. Haven't we just heard today that because of the restraints placed on human rights commissioner Mary Robinson, who we all remember who came here, opened the heritage centre in Peel, they cannot deal within this because they do not have the wherewithal to deal with some of these human rights issues with the countries that are very closely involved with the UN, such as China. So there all these sorts of issues which are going on. But Syria, who is a member of the UN, is still buying this oil, paying money into Iraq. Yes, we do not know where it is going. It is probably going to friendly countries which are buying armaments.

So there are many countries who are disregarding the UN sanctions and maybe what we should be saying here today, instead of talking about just one country, maybe we ought to be saying, 'Yes, there are problems out there', and we are not a member and have no relation to the United Nations set-up at all. We spoke before about constitutional matters. They have a committee which looks at colonies. Because we are dependency they do not consider us, whether we should be more independent or whatever. So we have no relation to the UN. But the thing we could be saying is that we wish the UN would do more. If it is going to pass resolutions, those resolutions should be completely monitored and should be implemented. We have the Middle East war. Israel have just disregarded a whole load of resolutions that should have been put in place, totally disregarded them.

So it is not Iraq that is totally disregarding these things but this is a worldwide issue of military hardware, building up friends and then not being able to cope with them, and this is what people have done with Saddam Hussein, and I cannot support the motion that is on the order paper, but it is not quite as simple, I think, as members have spoken about.

**Mr President:** Hon. member Mr Waft.

**Mr Waft:** Thank you, Mr President. It makes a very refreshing change to talk about something that is not totally parochial and it is nice to see a fairly new member taking on this worldwide view of things rather than constituency matters. It is good and correct if we are a party to what is happening in the UK with regard to the Third World, for instance, if we are submitting £2 million or maybe £3 million - I cannot remember how much we do submit every year towards this - we should be casting an eye every now and again as to actually what is happening.

The problem is as I see it - and I am chairman of the Overseas Aid Committee, so I do tend to keep a weather eye on what is happening in the Third World countries - if we were to say, 'Well, we're not going to contribute anything to this country, for instance the Sudan because it is continually at war with Ethiopia, it's a waste of time, it will all be spent on arm's, we would be hard-pressed to find exactly the right place to contribute anything to.

But I do take on board the point which the member is concerned about and I think that is the humanitarian point of view with regard to the children in that area and the effect that it is apparently having on them. The only word of caution I would issue is to make sure that the sources that you get your information from are as near to correct as you can, if we understand that the newspapers we read are invariably owned by people from North America, and what we hear from the PR of the UK or indeed from Iraq is biased in one way or another to justify their position, where they are coming from and just think about why they are saying what they are saying.

So that is the problem as I see it. It is getting correct information. There was a letter in the *Examiner* last week which said we are wasting our time thinking about things like this, it is absolute nonsense, but that is not my view. I have consistently asked that, for instance, our external relations committee should keep an eye out as well. I appreciate all the work that is being done by the external relations committee, especially with regard to the OECD and raising funds all round the world to try and raise the profile of the Isle of Man, but at the same time we should also be aware of what is happening to the Third World countries, and I would like to congratulate Sir Miles on the effort he did make on our behalf on his recent excursion and we look forward to similar in the future.

With regard to the sanctions on the children, where are we going to draw a line here? Who is telling the truth? Occasionally, very occasionally, we will get what one would hope to be an independent report from an investigative journalist who comes on the BBC and tells us all of the horrors of this country or that country and you have got to decide in your own mind whether what he is saying is true, why he is saying it, who is paying what to whom and why, what are the effects, is America using their power in a situation when their oil is in jeopardy? There are problems, so I would not like us to be too glib and say we should not be doing this because of (a), (b), (c), (d).

I am aware that the Foreign Office is reviewing the sanctions and they are focusing more on the harm to the Iraqi people and I think we would all agree that developing weapons of mass destruction should remain in place and Mr Hussein appears to be doing quite well and quite happily for the past 10 years, and whether he is getting it from the black market I do not know, but unfortunately when you do institute sanctions on a Third World country it is the bottom end of the hierarchy that gets hit the worst (**Mr Delaney:** Hear, hear.) and I would hate to think that we on one hand are helping to put forward sanctions on a people, only to find that the children and the very poor people are getting hit the worst, but it always is the case. Unfortunately it is the same with Africa or Afghanistan or anywhere else.

I would just like to say on Afghanistan, I did try to read the thing at the beginning of the Tynwald agenda with regard to Afghanistan and it said see schedule 1 and when you got to schedule 1 it said see something else. Well, quite honestly, you would be going round in circles if you tried to make any sense of it, but we tended in the past to be just rubber-stamping it anyway, so it is just nice to hear somebody come along and say, 'Well, hang on, just stop and have a look at what's happening here', and I appreciate what the members try to do. Thank you, Mr President.

**The President:** Hon. member for Council, Mr Lowey.

**Mr Lowey:** Thank you, Mr President. Again I think we are talking here today. It is a global village and of course it all impinges upon us.

I would remind hon. members that part of the idea was the Isle of Man not being used as a position why the orders were put before us and I think we have got to keep our eye on that, and I think it is very important, and as my hon. friend Mr Delaney said, until somebody tells me differently, then I am afraid I do not subscribe to the view of the mover of the resolution when he has attempted really to sanitise the despot that rules that country at this particular moment in time, and Mrs Hannan is right. Of course Mrs Hannan is right when she says he was our friend. The operative word was 'was' and when do you start writing history? It is always convenient to write it, 'Well, lets go back 10 years.' This is the man that started it all by invading his neighbours in the pursuit of what? Not the grazing rights for the camels. I can assure you of that. It was for the oil and the access to the water that was there. No, no. Where do we start and where do we stop?

Now, I do not believe we should sanitise this particular ruler. He is an evil man and by the way he is not a democrat and he is not a parliamentarian and if any of us were his subjects and tried to debate this in a rational way, as we are attempting to do today, I will tell you what would happen. You would be taken out and you would not be seen again. That is the truth of the matter.

Now, the realities are, yes, there are casualties and I would tend to agree that it is not working, but then what is the alternative? Smile at him and say, 'Come in'?

Now, part of this was started when we discovered we were sending parts for a giant gun and parts for atomic bombs and all the rest of it. It really beggars description.

Now, the message that is going out today, if this is even considered by this Court, will be totally wrong, it will be somehow he has got a friend at court. I do not believe for one second the hon. member for Rushen is a friend of this particular gentleman. He is concerned about the people at the bottom of the pile, but again the Kurds and the Shiites are sufferers at his hands and I do not believe myself that this resolution can even begin to be supported.

I am a student a little of history. The one thing I have discovered is that the Arab psyche is such that if you start to waver, then they will be in to exploit it. Take that if you like and I will give you my source of information. When I did have a bit of time before I was a member of this Court I used to do research on members of history, from Michelangelo, and the last one was Edith Piaf, by the way - there's a girl (*Laughter*) - but it was Lawrence of Arabia and that is where I learnt my little bit of Arab psyche and there is no doubt at all about it, that if this was to go out it would be seen somehow as a defeat for the UK and I believe that we are right to support the sanctions. I am very much concerned about the good name and reputation of the Isle of Man which these sanctions actually uphold in my view and they are upheld, I have to say to the mover, for the right reasons and I do not think you can deviate one jot from them.

**Mr Gilbey:** Hear, hear.

**The President:** Hon. member for Council, Mrs Christian.

**Mrs Christian:** Mr President, whilst appreciating perhaps what the hon. mover of this motion is seeking to do, I do have grave concerns about the way in which his motion is formulated to the extent that it can be interpreted in a number of ways and the hon. member was at pains in his preamble to point that out and suggest that, notwithstanding the ambiguity, it would be possible for us both to support his motion whilst at the same time supporting the order which he mentions in his motion. I have difficulty with that because I think that those who chose to interpret it otherwise would be the support of this motion as expressing some doubts about the order which the Isle of Man has applied to it in relation to sanctions. I believe we should be quite clear about the fact that the Isle of Man does approve this order and does not wish to be left as a loophole through which any sanction-busting measures could proceed.

To that extent I would seek to move an amendment to this motion, first of all to correct I think what is simply a typographical error on the first line, but by adding after the word 'of' the words 'the regime in Iraq which results in the need for such orders as' the one which the hon. member has indicated. That, I believe, would give this hon. Court the opportunity to express its concerns about a regime in Iraq, which my hon. colleague has just mentioned is neither democratic nor just in the eyes of most of us, and which has resulted in the need for sanctions, however uncomfortable we feel about the impact of those sanctions on those who are least in a position to defend themselves.

I am not going to add anything further to the expressions of opinion about the Iraqi regime which have already been made within the Court but I do propose this as a reasonable mechanism, perhaps to reflect some of the views of the hon. mover, but perhaps more accurately to reflect the views of the Court without ambiguity about the order which is mentioned. I beg to move that, Mr President:

*Replace the word 'this' where it first appears by the word 'that'; and*

*Add after the word 'of' the following words 'the regime in Iraq which results in the need for orders such as'.*

**The President:** The hon. member for Rushen, Mrs Crowe.

**Mrs Crowe:** I am pleased to second the amendment, Mr President, and fully support the views that have been expressed by the hon. Minister for Health and Social Security, Mrs Christian.

**The President:** Hon. member for Onchan, Mr Corkill.

**Mr Corkill:** Yes, Mr President, I am very pleased that this amendment has come forward but for the very reasons that I am sure that everyone in this Court is sympathetic to what the hon. member is trying to highlight which is the suffering which is going on in Iraq (**Mr Delaney:** Hear, hear.) but I do feel he has chosen the wrong vehicle. I think other members have made this point and of course we would go away from this hon. Court in the full knowledge of the debate that we have had and it would be in our minds as to what we thought, but of course we have to be conscious of the actual decision that this Court makes which is then perhaps widely publicised to other shores away from this Island which would have just simply said that we showed concern about a measure that we had previously introduced to stop the Island effectively being used as a back door way to help a dictator and the problems that are in Iraq. So the mechanism is very simple. I think it is that we see a number of these orders coming to Tynwald where we are duty-bound just to rubber-stamp them effectively because by not doing so the ramifications are not necessarily what one would expect. The very fact that the Island might be seen out of line and willing to be used as a back door, even though we did not want to be, would send all sorts of messages on the international stage which we, I suggest, would not wish to do.

So I am happy to support the amendment in the name of the member for Council, Mrs Christian, because it takes away that problem within the original motion and I would say that the motion as written on the order paper does not actually fit what the hon. member has moved. They are two different issues.

Now, I would have seconded this motion and I am glad it has been seconded, I support the amendment, I should say, but I just want to remind hon. members that it is not so much the debate that occurs in this House, it is the decision that we come across which is then recorded for history.

**The President:** Hon. member Mr Quine.

**Mr Quine:** Yes, thank you, sir. I am also pleased to support the amendment. I could not support the motion itself. I can fully take on board the concerns which the hon. mover of the original motion is trying to convey in relation to the situation in Iraq and the hardship that that is causing, but ironically I feel that if we were for to be party even to an expression of interest for the lifting or easing of the sanctions, whereas that might in some way help a small number of the people in Iraq, the minorities would be worse off than they are now, they would be subject to greater suffering, so I do not think we can pick and choose in this fashion. Whereas our hearts may tell us that there are people in Iraq suffering and that these sanctions are contributing to that situation, the idea that simply removing those sanctions is going to, in some way, improve the situation overall or least of all provide a settlement I think is just pie in the sky. I suspect that any additional strength that would come to his regime through an easing of financial restrictions would not be devoted to easing the burden on his own people, it would be applied to further armaments and further intents of aggression and further persecution of minorities.

I think what is important here is that there is the greatest possible uniformity in the response to a regime such as this - and there are other regimes besides Iraq - but I think what we need to do is to have this collaboration, have this uniform approach to it and seek through the proper channels, which are clearly the United Nations, toothless as they are, seek through them a settlement to the overall problem, but simply to go along with an expression as embodied on the paper I do not think will get us anywhere. Express our concern in relation to the need for it as proposed for the hon. member for Council, yes, I can go along with that, but I could not go any further than that.

**The President:** Hon. member for Onchan, Mr Karran.

**Mr Karran:** Eaghtyrane, obviously the order that we are discussing is to do with the making of funds available to Iraq and the freezing of funds that could go there. I personally find that obviously one would vote against the whole lot as far as this is concerned because I think the problem is that whilst I do not like the idea of the seconder's proposal where he is there almost wrapping himself up into the propaganda of the Establishment, at the end of the day this House cannot be seen to be associating itself with propping up these sorts of regimes, and I think the hon. member for Peel was quite right when she was debating this issue, might is right, and that is the problem that you find in world politics, might is right.

What I do think, talking to this proposal that is in front of us, is that maybe the hon. member would like to be considering is thinking about the issue that was the piece of legislation that was brought in in the adjacent island that I thought was quite good in the fact that they had a Prison-Made Goods Act of 1898 that no-one has ever been prosecuted under, and maybe the hon. member should be looking more towards the Island, looking at stopping imports from other countries that are bringing in goods, the likes of China where they have abused the Tibetans out of all proportion. Even Saddam could not have reached the level that the Tibetan people have had to put up with from their aggressive neighbours in China, but of course might is right as far as that is concerned and I believe that, if nothing else, if the hon. member wants to pursue a fairer situation for the Isle of Man, then maybe should be looking on those sorts of lines as far as who we import stuff from.

But supporting the motion, as much as I welcome any member to debate any issue in this House, would do so much bad to all, not just to the Island, not just to the Iraqi people, but at the end of the day, if we were able to be used for releasing funds for the Iraq Government at the moment, all that would happen would be that we would end up with funds that would go to Saddam's party and their facilities because they are not struggling at the moment, they are in

clover as the situation is. I think it would be wrong to support any proposals as far as allowing the Isle of Man to be used for that.

But I have to say that I think that there are many other unscrupulous leaders throughout the world and I think that the member for Peel is quite right in the fact that there are a lot of other places as well, but I would not want the Isle of Man to be associated with providing financial services to prop up Mr Saddam's political party at the present time, so I would not support the order, but I do feel that the debate may be of some use to us. If we are looking on humanitarian grounds as a small nation, I believe that we should be looking at pieces of legislation the likes of this and bringing in maybe a more ethnic import policy as far as the Island is concerned in my opinion.

**The President:** Hon. member for Council, Mr Crowe.

**Mr Crowe:** Thank you, Mr President. I think at one point we were in danger of confusing ourselves and I think we were mixing up the message of concern at what Saddam Hussein was doing to his people and what the United Nations are trying to achieve in putting sanctions on that country.

Now, I am absolutely a hundred per cent for supporting the United Nations and those sanctions because if the United Nations, as a body of collective countries, feels that this is the right way to go about it, I do not see any point in this Island stepping out of line and saying we do not support those financial sanctions. I think you have only got to think of our own corporate and banking businesses here who are part of the international global economy and they are tied by those strictures not to help Iraq in any shape or form.

So, as I say, I am a hundred per cent behind supporting those sanctions against Iraq as the best way of bringing that country hopefully to some sense or whatever, but I am not even sure that the amendment should be supported. I am still thinking about that. But I think others might maybe give me some influence, but I do feel that we must not confuse the issue of our concern for the people of Iraq with the dictator who is running that country.

**The President:** Chief Minister.

**Mr Gelling:** Yes, I will be very quick, Mr President, conscious of the hour, but certainly when I first saw this particular motion it did concern me because the actual order, as has already been said, was not one which I thought the hon. mover was perhaps referring to but I then began to wonder whether it was the way in which the applying of sanctions to the Isle of Man and how we handled it was the concern or whether it was the effect on the people. Well, of course the difficulty we have is the motion is what is on the paper. What has been said, of course, has been said in this Court but we have to vote on the actual motion which is on the paper which now we have had an amendment to, and I am also delighted that amendment has come forward because I would hate to think that we were in a position to try to take sides, either the side of the United Nations or the side of Iraq, because we already know that the UN have tried to modify the sanctions to enable these medical supplies and food to get through and the authorities of Iraq have refused to allow it to be modified, so we are not getting the whole picture of the situation and inevitably with sanctions, that is what they are for, they are eventually to try to make people rebel against the person or the persons who are causing the problem. Well, we know that is not working either.

So I think the amendment certainly allows us to express an opinion that it is unfortunate that we have to put sanctions on a country and I think that is the expression that is certainly coming out of the Court today, sir.

**The President:** I call upon the hon. member for Rushen to wind up the debate.

**Mr Rimington:** Thank you, Mr President. I think the last speaker, the Chief Minister, has actually in his speech summed up one of the key points that I was trying to make, which was that, simply, sanctions have not worked. The sanctions that exist or have existed to this point in time have not worked and that was where I was coming from.

Now, I was rather disappointed by the hon. seconder, who must have prepared his words in advance and then not bothered to listen to what I was saying and spoke his words anyhow. I felt that I was being held up, there I am, the big supporter of Saddam Hussein and how dare I be a woolly-minded liberal et cetera et cetera. I thought he went slightly over the top in his comments there and that I had chosen to ignore the facts, but unfortunately, hon. member for Ramsey, Mr Singer, I was talking about the same facts that you were talking about but expressing them, possibly, in a different way, but I recognised those same facts, what has taken place in that part of the world, possibly giving them a slightly different interpretation than yourself but, yes, I tried to make it very clear in my opening speech what I thought of Saddam Hussein and the point I was making, and I will make it strongly now, is I thought that about Saddam Hussein when probably the majority of my fellow members in this House would have said, 'Oh, he's one of our friends, he is Okay.' But that is because I am not a woolly-minded liberal, Mr Singer, I am not a nationalist, Mr Karran or Mrs Hannan, I am an internationalist, and I have always viewed Saddam Hussein as an evil person and he has never been my friend, even when he was a friend of the West, and that is my starting point. I have no connection with the Iraqi regime, no sympathy for the Iraqi regime or indeed many other regimes that exist around in the world. My concern is for humanity and that was all I was coming in from and I think that that has been muddied to a certain extent in the discussion that has taken place and I do not think that I am sanitising Saddam Hussein by what I was saying. I did try to make it cleared possibly I should have emphasised it before the hon. member for Council was saying, 'Yes, well what are the alternatives?' Well, I am afraid if I had the alternatives, I would not be in this hon. Court, I would be in the United Nations or in Mr Blair's back pocket or somewhere -

**Mr Delaney:** I will give you a reference.

**Mr Quine:** I thought you were.

**Mr Rimington:** - but I am afraid obviously the hon. member for Rushen does not have that depth of knowledge and experience to give you those alternatives, but I fully agree that alternatives are required and those alternatives may well include - and I would imagine they would include - sanctions of some nature and they would include whatever measures.

The point I am making is that the current sanctions regime as exists has not done the job that we wanted it to do, which is to get rid of Saddam Hussein and create a better, safer environment in that part of the world, and what it has done, and quite effectively, Saddam Hussein, as you quite rightly pointed out, as I pointed out, has used those sanctions to continue stamping callously on his own people, whether it is the Shiites, the Kurds or even his own Sunni Moslems. So that is my point. It is that the particular regime that has been in existence has not been working.

Now, I accept and I do welcome members' contributions and different points of view, which is what I was trying to do, actually to allow members to come forward, but in doing that I was not expecting possibly some of the flavour of what went on.

I would emphasise that in terms of the order itself - and I said this right at the beginning - I would have voted for the order if the order was something that you could have voted for, because it would not have been right for us to have done otherwise from whatever point of view in our

position as an island at this moment. So there was not actually any opposition to that and that is what I was trying to make clear.

By talking against sanctions I do not think you are, to the hon. member for Onchan, guilty of propping up regimes, and I thought that was a slight slip and a misconstruction of what was happening, but he is quite correct in pointing out that we do concentrate and we are focused on Iraq and in fact Iraq was heavily focused on by the West or the alliance forces because it was interrupting or potentially interrupting our oil supplies and our interest in that region of the world. But we do not actually make much effort, as he quite rightly said, about the Tibetan people or about the people in East Timor or whatever. Throughout the world our conscience is selective and our military might is used for selected purposes and it is rarely used in humanitarian issues or democracy issues, it is usually self-interest issues.

I would thank the members for the comments they have made. I am quite happy with the amendment. I was not trying to be highly destructive, I was trying to bring a humanitarian issue to the Court. If the amendment is the sensible way forward, I am quite happy to go with that. Thank you, Mr President.

**The President:** Hon. members, the motion is printed at 32 on the order paper and to that we have the amendment circulated to you in the name of Mrs Christian: add after the word 'of' the following words, 'the regime in Iraq which results in the need for orders such as', and continue with the wording on the order paper. Hon. members, those in favour of the amendment please say aye; against, no. The ayes have it. The ayes have it.

Hon. members, I therefore put the motion as amended. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

*In the Keys:*

*For: Messrs Gilbey, Quine, Rodan, North, Sir Miles Walker, Mrs Crowe, Messrs Rimington, Brown, Houghton, Braidwood, Shimmin, Downie, Mrs Hannan, Messrs Singer, Bell, Corkill, Cannell, Gelling and the Speaker - 19*

*Against: Mr Henderson, Mrs Cannell and Mr Karran - 3*

**The Speaker:** Mr President, the motion carries in the House of Keys, 19 votes in favour and 3 votes against.

*In the Council:*

*For: The Lord Bishop, Messrs Lowey, Waft, Radcliffe, Mrs Christian, Messrs Delaney and Crowe - 7*

*Against: None*

**The President:** With unanimity in the Council, hon. members, the motion therefore carries.

Now, hon. members, aware of the clock, I think it is an appropriate time at which to make a break.

### **Leave of Absence**

**The President:** I would point out, hon. members, that the hon. member for Castletown was missing for some time this morning with my permission to attend a funeral, the hon. member for Douglas South, Mr Duggan, has a hospital appointment this morning and has therefore equally got permission to be absent from the Court, and later this afternoon, Mr Houghton, has already indicated he has an appointment and will be given permission to be absent. Hon. members, -

**Mr Delaney:** Mr President, I have already previously notified you.

**The President:** Yes, and the hon. member Mr Delaney, all being well, will be missing this afternoon. (*Laughter*) Hon. members, we will continue with our debate at item 33 at 2.30 p.m.

*The Court adjourned at 1.07 p.m.*

### **Natural and LPG Gas — Control of Importation — Amended Motion Carried**

**The President:** Hon. members, we return to our order paper at item 33 and I call on the hon. member for Douglas North, Mr Henderson, to move.

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

*That -*

- (1) the Gas Enquiry Report 2001 laid before the February 2001 sitting of Tynwald be received, and its recommendations adopted; and*
- (2) the Council of Ministers consider and report on the establishment of a statutory board to control the import of natural and LPG gas into the Island.*

The reasons for this motion and the background I will have to give a little history on for the purposes of this debate so we can have some sort of linkage and certainly for my debate the concerns I am going to raise developed in May 1999 when the two Isle of Man-based gas companies merged, fears of a complete monopoly situation began to be expressed and the then group chief executive was quoted in the press as saying, 'With no competition in the supply of energy in the Isle of Man, there is no commercial need to reduce the price for the supply of gas.' In fact this statement was later denied as a reporting inaccuracy.

On hearing this statement, however, I was immediately prompted to place a question in Tynwald to the chairman of the Office of Fair Trading, such was my concern, calling for a full gas inquiry into this whole situation, not just the general reports that are produced, but a comprehensive and extensive assessment under the appropriate legislation, namely section 19 of the Fair Trading Act 1996 and application to the Council of Ministers to progress the same.

As I say, I made this call in May 1999, as no doubt the chairman of the Office of Fair Trading can verify. I have also placed parliamentary questions on the same and associated issues through the minister for the DTI, Mr North, and more recently the Chief Minister, where I have strengthened my initial concerns by highlighting a need for a nationalisation of the Island's gas supply, both LPG and natural types, or at the very least some sort of semi-board situation which we see at the MEA currently, which at least provides a strong element of public accountability and some control, unlike a totally private company.

Also of note and concern is that the 1995 Gas Regulation Act which covers, amongst other things, quality of product, duty of supply, methods of charging and powers of investigation, has never received its appointed day order, never got its wheels. Further to that, any investigation, including the one which is the subject of my debate, comes under the 1996 Fair Trading Act, as I have mentioned, and this to all intents and purposes means that any investigating report does not permit any real direct punitive action as such, basically only for the report to be laid before Tynwald as facilitated by the Council of Ministers. This hopefully will be somewhat rectified by my hon. colleague for Ayre, Mr Quine, but I think it is also fair to say that there may well still be more work in the offing from the OFT itself in this direction.

Further adding to this background were the great hints made by the new Gas Company Limited of 1999 that the merger would mean more efficient services and the company was looking at possible price reductions. It did not happen as far as I am aware. I have letters on file here on my desk from people from the company to that effect.

Then we have the situation where people are made to use gas and what I mean by that is the fact that the majority of new housing now is supplied with gas central heating as the main household energy source. There are various bonus schemes and offers to installers to use gas. The gas company will also put the mains into the estate or house to be built and there are also reductions for contractors who buy appliances and install them.

Then superimposed over that are all the gas price hikes that our communities have to suffer, some of it due admittedly to the fact that the gas we use here is LPG, a petro-chemical derivative of oil, which is under the price control of OPEC, who over the last weekend have threatened a further oil reduction, thereby causing oil prices to rise and a knock-on effect to our communities stuck on LPG gas. We have suffered constant surcharges and price increases of nearly 30 per cent last year, outstripping inflation by nearly 10 times.

I use the words 'our community' very seriously. Two thirds of the Island's population use gas and the Isle of Man is the gas company's biggest customer base in their areas of operation. That gives a clear indication of the scale of the issue. It is big and it affects most people.

As an aside, it is interesting to note that the parent gas company, International Energy Group, was accused of abusing its monopoly position in Jersey by consumer chairman, Deputy Phil Rondel, by failing to pass on reductions in the wholesale gas price to customers. In May 1999 this group posted record profits of £8.9 million, last year it was £11 million and this year I am led to believe that half-termly profits are pointing in the £6 million-plus bracket, which means 2001 could even be a bigger record bumper year for the gas company. Meanwhile back to May 1999, Jersey residents were paying double the UK price for propane gas bottles, the same as we have here, £44 for a 47kg bottle, the same product in Leeds was £23. Even shipping costs cannot account for that.

I am certain the Isle of Man picture is not too dissimilar. Isle of Man gas bills are 85 per cent at variance over UK gas bills. Bottled propane sold to consumers has the potential of making nearly a £1,000 profit on the initial importation price for every tonne brought in, which is standing at in or around £250 per metric tonne, I am led to believe. It retails then out at considerably more at outlets and the outlet prices cover the £250 per tonne and then rocket towards £1,000 eventually.

In Isle of Man terms I feel there are definitely more price comparisons urgently required to be undertaken by the Office of Fair Trading and/or other appropriate departments, because I have no doubt we are in a similar position. All prices have come down until recently but we are still at the mercy of Manx Gas and prices to homes have not and Mr Sidley, the director of Manx Gas, is on record earlier this year clearly stating his company could not reduce prices as it is the pool price Manx Gas have to pay. The wholesalers, in other words, have not reduced their prices.

I have had meetings with Mr Sidley, exchanged documents and have tried to carve out a deal over pensioners and folk on low incomes or income support. This was to no avail and in my opinion I received a final letter that was just a rebuttal to my genuine proposals.

I have even asked the health minister to review the heating allowance element and even a new benefit to help with the unacceptable cost of the Island's gas. I also have to report that there seems to be a very low pensioner uptake of discounts and this leads one to scrutinise the effectiveness of the gas company's customer services PR. There are 15,000 pensioners on the Island and only a fraction are on discounted rates.

In January 2001 the retail price index showed Manx gas still at the top spot of the premiership league table of over-inflationary prices, certainly as the single most over-inflationary product in the Isle of Man, and our customers thereby will be paying somewhere in the region of eight times inflation.

So that is the backdrop to my motion but there is some more yet. We need to add further detail into this: the effects on our community. It is causing real hardship. People are being overcharged in my opinion and have no choice but to pay up or no heating, or you cannot use your heating, it is too expensive, and certainly I know of some pensioners who wrap up in the day to save putting the heating on. The rest of use have no choice but to fork out and basically give in to the high prices. We cannot and should not allow this situation to continue. It is immoral and especially with the budget we have just had. That is the reality and it is particularly unacceptable and unsavoury to me, as I am sure to most hon. members of this Court.

One last factor which has to be included at this stage of my debate, and possibly now the most important, is that there is, or seems to be, a real chance that natural gas could be piped to the Island. That has the potential to provide a vital and necessary component for this Island's future success, economic growth and, more importantly, for our community. If this happens, the ultimate benefits for a community and businesses alike will be tremendous. We cannot put this in jeopardy or under any sort of threat of a high pricing regime or under a pseudo-monopoly situation. We will be damaging our community, businesses and future prospects.

Now, that is the scenario we are up to. These are the actions that have caused the hammer of this motion to be cocked to firing position. The thing which has caused the trigger to be squeezed and for this motion to be fired into Tynwald is the Isle of Man Office of Fair Trading's investigatory report on the investigation of gas prices in the Isle of Man 2001, although the report is actually undated. I must point out that on the order paper the motion refers to the Gas Enquiry Report 2001 which is inappropriate and is referring to the report I have just mentioned, which is the report on the investigation of gas prices in the Isle of Man and is one and the same thing for the purposes of my debate and to which I will be referring.

This report was laid before Tynwald in February 2001, correctly, as it should have been. The problem is it has identified many valuable observations and made important recommendations, one of which highlights the need for the establishment of a Council of Ministers sub-committee, but this is as far as it can go. As I have clearly indicated, there are no statutory powers under the Fair Trading Act to ensure all these recommendations are fully adopted and quickly.

The problems of energy prices and the impact on our community is a major national issue for this Island and should be properly debated. A very thorough report, where a lot of hard work has gone into it - and I by no means wish to detract from the work that has gone on in the OFT and I take my hat off to that hard work and all the members down there and members in this Court - but having said that, it has had no chance of being debated, it being full of key observations and recommendations that I feel are in danger of being lost or just programmed in to be acted upon by the relevant agency whenever and basically whenever they can get to it on their job lists. Well, that is not good enough. 'Whenever' is little comfort to the community or business sector. That is what really fired my motion.

It was given further impetus by the fact that I could see any possible importation of natural gas easily open to a similar such pseudo-monopoly threat in the future and that is the last thing that we want. I believe a major element of this Island's successful future will be based on the importation of natural gas and any spin-offs it may bring, done sensibly, economically and business-orientated for the good of this Island, not for private profits. The community is too small to sustain that kind of commercialism.

So there we are, that is the picture. What does my motion hope to achieve in the face of all that? Well, this is the highest Court in the land, Tynwald, and a successful declaratory resolution, backed up by as many hon. members as possible - hopefully unanimous - will give power, energy

and motivation and a sense of urgency to energise the report, provide protection for the future importation of natural gas and help its provision in future policies.

But the most obvious is that it provides a chance for an important public document, in effect a national report for the community, to have the justice it deserves to be debated by the community's elected members in our national assembly, if they so wish, and the recommendations in this report to be fully supported. It gives a chance for concerns to be raised and hon. members to point out any issues that they may have, should they wish, and for the OFT or DTI and, importantly, the Council of Ministers to take note, and Manx Gas for that matter. A report as important as this, given the unanimous endorsement of Tynwald, sends out a clear message to the community, to the industry and, importantly, really will empower the relevant departments and board.

Leaving it untouched means it could die and be in danger of an unenthusiastic attempt at addressing some of the recommendations, especially some which I see as key recommendations which stand out above the rest, those being 9.3 at page 46 of the gas prices report and 9.6 of page 47.

Recommendation 9.3 calls for a Council of Ministers sub-committee to be formed and investigate the feasibility of introducing a system of direct price control upon the gas company. Let us give this some empowerment. If Tynwald endorse it, it is not just a case of a recommendation, it will carry the will of this Court, which will make a recommendation a definite action that would end up in a study followed by implementation of an appropriate system of direct price controls, especially for the current LPG gas situation and any future transitional period from LPG to natural gas. Not kept hanging on words such as 'investigate the feasibility', let us get on with the study and agree to implement an action, whatever is decided, it has to be positive based on this report.

Recommendation 9.6 calls for a review of the 1995 Gas Act. It calls for the continuation of the current testing regime and for testing to be able to be carried out anywhere along the distribution line, not solely at the main plant. I have long been an advocate of this. Measuring in front of management is one thing but testing what is coming out of a pipe in someone else's lounge is something else, unbeknown to management. I am very wary of the current calorific values to the Isle of Man customers and know enough that air is mixed with the gas before it gets to the consumer as part of the normal process. How accurate this process is, and company policy, is another matter, but the bottom line is that the more air mixed, the more gas required to heat a home. Those are the figures we really want, a true random test of a product that gives the producer no chance to alter any value of that product.

Let us endorse this Mr President, hon. members, and empower the DTI and OFT. Let us get on with it as quickly as we can. It gives hon. members the chance to put their ideas forward through debate and have some input into this process.

The second part of my motion tackles the thorny question of what happens if we do import natural gas: who does the importing and who does the retailing? Well, I think it is obvious what I am driving at here. I do not want a situation to arise, after all the hype of natural gas and my own calls for its importation, to end up in the same situation as LPG is currently: a major disaster. A warning for this Court, Mr President. We need to have some sort of control at source at the wholesale end and that is why I have worded this part (2) in such a way that it is flexible for the Council of Ministers to work up an appropriate option appraisal with their officers and the establishment of a statutory board, not unlike the MEA, I would envisage, which would control the import into the Island of natural gas or some other appropriate mechanism. This places some sort of control at source and then leaves the local disbursement, distribution or retail flexible enough for private operators or however it may work, but - and this is the beauty of the motion - we have a say in the price at source and that means the best interests of the community will always

come first, both residential or people and business and our economy. Thank you, Mr President. I beg to move the motion standing in my name.

**The President:** Hon. member for Ramsey, Mr Singer.

**Mr Singer:** Thank you, Mr President. I am pleased to second this motion presented by the hon. member for North Douglas, Mr Henderson.

I think it is important also that this hon. Court takes this opportunity to debate the matter of gas prices and the future direction of the industry on behalf of those residents using gas, particularly where they have no alternative and particularly where the tariff increases have risen over the last two years way ahead of inflation and way ahead of social security benefits. Increases for those in need it is important to take note of because many people using gas have found it impossible to cope. It may well be that gas customers are on the wrong tariff, as is mentioned in the report, but it appears to me that the gas company have felt little, if any, responsibility to help those customers if they are on a higher tariff than necessary in order to help them reduce their bills.

It is also unacceptable to have fluctuations in prices within a distance of 15 miles and I think this should be rejected as well, and hon. members will recall my question recently which was due to Manx Telecom charging different prices to users of a service outside Douglas than within the Douglas boundary, somewhat of a parallel. Hon. members only have to come to Ramsey now to see, for example, the Total garage is charging more for fuel in Ramsey than it is in Douglas and it is too common to see monopolies, or near monopolies, penalising customers to apparently increase their profits. Therefore the amendment to the Fair Trading Bill which provides the powers to halt unjustified price increases, particularly with regard to monopoly situations, is timely.

I have listened to the reasons given by the gas company for the increases over the last two years but find it hard to see any justification in those increases which are far greater than those of other fuel suppliers who experience the same problem of rising oil prices and currency fluctuations. Perhaps those other suppliers' handling of the changes in circumstances are better judged than the gas company's.

Linked to the drastic increases is a matter of reduction in service to the customer, certainly in the north of the Island, where the gas showroom has closed, there is no local engineer and the accounts have to be paid at a garage, often the annoyance of both the gas customers and the garage customers at busy times. There are not many businesses which can competitively survive by substantially increasing costs and drastically reducing service to the customer, only a monopoly.

Last week I received three complaints about the gas service and one in particular was from a married couple in my constituency living in an average sized two-bedroomed bungalow. Their gas bill in February 1999 was £329, their bill February 2000 was £441 and their bill this February, 2001, was £554 and that was after receiving a 10 per cent discount. Now, they use gas for heating and cooking and it might be said, well, if they are dissatisfied, why not change to oil or electricity or turn off the heating? The simple fact is that this couple are both in their nineties. The husband is crippled with arthritis and they need the warmth and should not be denied it and therefore an increase in their gas bills of 85 per cent on the gross figure over two years is obscene. Surely that figure cannot be justified against a fluctuation in the oil price.

It appears to me that without competition, excuses to increase prices are simple to find but the occasional decreases due to public pressure are infrequent and minimal. The sooner we have fair and open competition the better and I do mean fair and justifiable tariffs, not the type of competition which is meant to destroy the rest of the competition, create a monopoly and start the

uncontrolled upward spiral again. It is therefore important that via the Council of Ministers or other means there is a control and government input into the importation of natural and LPG gas by Manx Gas or the Manx Electricity Board to ensure that the consumer is the important element within the supply equation.

I congratulate the mover of this resolution for firstly giving hon. members the opportunity to discuss this gas enquiry report and to make it quite clear to the consumers that we are concerned at the way that they have been burdened by excessive price rises and that control is needed and that that control will be available to government to ensure that the consumer pays a fair price and the provider makes a fair profit, and the acceptance of the second part of this tabled resolution would give the Council of Ministers the important opportunity to investigate the way of protecting the gas consumer in the long term. Therefore, Mr President, I am pleased to second the motion.

**The President:** Hon. member for Middle, Mr North.

**Mr North:** Mr President, although I rise to propose an amendment to the motion on the order paper, I would wish to begin by thanking the hon. member for tabling the motion because it gives us a chance to discuss this and also for his continuing interest in the subject of natural gas.

The motion seeks to address important issues, of that there is no doubt. My purpose in moving an amendment today is not to avoid those issues but rather to clarify the current situation in relation to the adoption of the recommendations contained in the report of the investigation of gas prices and to facilitate a review of all, and I emphasise, all of the options by which control can be exercised over the importation of natural gas by pipeline.

As regards part (1) of the motion, I would explain that the Council of Ministers has already accepted the principal recommendations contained in the gas enquiry report. These are, as the hon. member has pointed out, recommendation 9.3, relating to the feasibility of introducing a system of direct price control of Manx Gas Limited, and recommendation 9.6 regarding the Gas Regulation Act 1995. These can be seen as the key recommendations contained in the report and I can inform hon. members that they are already being progressed.

The Office of Fair Trading is now investigating the feasibility of a system of price control, while the DTI has been asked to deal with the recommendation that the provisions of the Gas Regulation Act relating to gas testing should not be introduced.

With regard to the importation of natural gas, I think that most, if not all, hon. members would agree that whichever of the options under consideration is chosen, the question of control of the supply is indeed significant. I believe, however, that the requirement in the motion that consideration be given to the establishment of a statutory board for this purpose is too restrictive. It relates to only one possible control mechanism and does not take into account other options by which control could be exercised. I would further suggest that the best time to look at this question is when we know which option has been selected and there is more clarity on how a natural gas supply can be facilitated for the consumer.

Having said that, my amendment only relates to options for the control of natural gas and does not include reference to LPG. I am of the view that it is neither appropriate nor necessary to introduce controls on the importation of LPG at this time, bearing in mind that the feasibility of a system of price control is under active consideration.

My amendment proposes that the review of options for the control of natural gas be conducted as part of the ongoing feasibility study into the importation of natural gas being undertaken by the DTI and not as a separate exercise. I would ask hon. members to support this proposal as it is essential that there are no time delays, which would clearly be a risk if there were to be separate reviews.

The main user of natural gas will be the MEA and if progression of the chosen option is jeopardised and the importation of natural gas delayed, there is a possibility there will be no fuel for the new power station. Indeed the authority need to be able to provide specifications for the gas very soon in order that orders can be placed for the gas turbine.

I can assure hon. members that we are on the verge of a decision on which option will be taken for the importation of natural gas to the Island. For this to be used in the planned new power station means that the whole project, that is, the the power station and the pipeline, has to be in place by the end of next year, which is an ambitious timescale. The need to ensure that gas can be made available for domestic consumers has been fully recognised and we are thus, in effect, almost ready to go. All that I am asking for is clarity that nothing should be done which might interfere with this progress and I hope that as many members as possible will attend the presentation tomorrow afternoon in the Millennium Room.

Mr President, I beg to move the amendment standing in my name:

*For the words after "received" substitute -*

- "2) it be noted that the recommendations contained in sections 9.3 and 9.6 thereof have already been adopted; and*
- 3) as part of the ongoing feasibility study into the importation of natural gas the Department of Trade and Industry conduct a review and report on the means by which control over the importation of natural gas by pipeline could be exercised for the overall benefit of the Island."*

**The President:** Hon. member for Rushen, Mrs Crowe.

**Mrs Crowe:** Thank you, Mr President. I beg to second the amendment and make a few comments on the report on the investigation of gas prices in the Isle of Man that was carried out by the Office of Fair Trading.

I thank Mr Henderson. You note I got a gold star for the gas report.

I would like to just reiterate some of the key findings of our report, and it was a very extensive report and took a great deal of time, and the key findings were that the inter-fuel competition did not necessarily provide adequate constraint on prices, that Manx Gas did enjoy some monopoly power in setting its tariffs, that the Island's public gas supplier is able to abuse its monopoly position by not passing on cost benefits to customers which it would almost certainly have to do when operating in a competitive market, that the general levels of profit made by Douglas Gas in 1998 - now, that is Douglas Gas and not Manx Gas - was at the top end of an acceptable range. Well, I have related to the profit there, that the Manx Gas review of asset lives is to be welcomed because we considered that it was an unduly short period of asset life and this of course could lead to higher profits in the future, that the current levels of tariff costs had caused genuine hardship to some customers and that for gas customers it was difficult for them to adjust their budgets when price increases suddenly occurred.

Now, we are fully aware that the price increases occurred due to the feedstock. There is no doubt, and it clearly sets out in this report, that the incredible rise in the feedstock for Manx Gas is what resulted in the surcharges and we clearly said in our report that the surcharges that were applied were actually fair at the time in relating to the extra cost of that feedstock.

We did also indicate in our key findings that we thought that the current tariff structure was unduly complex, which was another matter that was referred to by the hon. member for North Douglas, Mr Henderson.

Now, we move on to the key recommendations of our report and they are detailed and we have mentioned them. I will not go through them, but certainly 9.3, that the commission therefore recommends that the Council of Ministers set up a sub-committee to investigate the feasibility of introducing a system of direct price control upon the company. The system suggested by the commission would be similar to a utility regulation established in Great Britain and would allow Manx Gas Limited to pass through at cost to customers the cost it incurs in the purchase of LPG and transporting it to the Island. A distribution margin would be allowed which would cover the cost that Manx Gas incur in operating its network and making a reasonable return on its investment in business, which of course all private businesses have to do.

Now, the Council of Ministers charged the Office of Fair Trading with setting up a committee to investigate the feasibility of the introduction of this system and I would like to indicate to the hon. member for North Douglas that the office has actually done this. From the day that the letter arrived from the Council of Ministers we appointed two officers, one lead officer, a very competent officer who is investigating the possibility and looking at the moment to perhaps certainly investigating systems of regulation not only in the British Isles but in perhaps other islands that may be more appropriate, but we are certainly looking at that introduction of regulation and it is being actively progressed at this time.

Now, I noticed when the minister mentioned that one of our recommendations was not to enact part of the Gas Act, the Gas Regulation Act, I noticed that the hon. member for North Douglas did look somewhat surprised.

**Mr Henderson:** I wasn't.

**Mrs Crowe:** All right. The reason that we have suggested that this part of the Gas Regulation Act should not be enacted was that it would actually limit the amount of testing of gas that we could do. In the Gas Act it actually means that the government analyst could carry out tests at source, but we would indeed be looking for the testing of gas at various distribution points and certainly within households to make sure that the quality of gas is there. (**Mr Houghton:** Hear, hear.) So that is the reason and one of the members of the commission in fact who is saying 'Hear, hear' at this time, the hon. member for North Douglas, Mr Houghton, this was part of the investigation that he was very keen to see in place. (Mr Houghton interjecting) It was not just carried out at a set time in a set place by a set person, it gave in actual fact us the ability to test at any place on the Isle of Man.

Now, I would just like to also respond to the hon. member for Ramsey, Mr Singer, when he made comment about a particular gas bill and the period of time that that gas bill was for. We did compare an awful lot of gas bills that we had in, complaints, and it is so very difficult to establish what the rise was - it depends on the amount of time the gas was switched on, how cold it was at that period in time - and when we make wild comments about the percentage increases, one could actually go and get gas in a bucket, but there is a great deal of regulation, health and safety regulations, that have to be put into place by the gas company and all that adds to the cost of it. When we talk about a thousand per cent, I think it was, increase in the cost of gas, there are a lot of ingredients that go into the distribution of gas and we cannot really compare bulk prices in that way. I think all the price comparisons in this report will clearly indicate that there is certainly nothing like a thousand per cent increase. I think that was the figure mentioned by the hon. member for North Douglas.

I am very pleased to second the amendment and, as I say, we are pleased to continue with our studies into the feasibility of regulation.

**The President:** The hon. member for Rushen, Mr Rimington.

**Mr Rimington:** Thank you, Mr President. Before addressing my amendment I would just like to give my support to the amendment given by Mr North, the hon. member for Middle, though I am quite confident that he probably will not reciprocate, and it would be absolutely difficult for me not to support his amendment because obviously it is very positive and noting recommendations that are going forward and I just draw members' attention to the precise wording of his amendment, the section, part 3) -

**The President:** Hon. member, can I just be quite plain. I have in my hand an amendment which I understood you are about to move. Are you suggesting that you are not going to move this amendment and you are supporting Mr North's amendment?

**Mr North:** That is it, yes. *(Laughter)*

**The President:** Hon. members, I have on my desk three amendments and I have to have it clear.

**Mr Rimington:** Yes, I am moving my amendment, sir:

*In (2) after Island, add “, and;”*

*Add -*

*“(3) the Council of Ministers further consider the options for the establishment of an Office of Energy Regulation to safeguard the interests of the consumer and acknowledging the needs of -*

- (a) diversity of energy supply;*
- (b) security of energy supply;*
- (c) competition where possible; and*
- (d) environmental benefit.”*

**The President:** Okay. Continue.

**Mr Rimington:** Am I allowed to briefly - ?

**The President:** Continue.

**Mr Rimington:** Right.

**Mr Cretney:** Briefly continue.

**Mr Rimington:** Briefly continue. Just looking at Mr North's actual amendment and the words that are contained there, I just refer back to this Court in November, 21st November, and the amendment that I placed to his resolution which he then opposed and the pertinent words are 'in its negotiation with potential suppliers of natural gas, requests the Department of Trade and Industry to consider the means which will ensure that any supply of natural gas to the Island will provide the widest benefit to its energy consumers; and report.' Now, those words are different in a sense from the amendment, but in fact they say exactly the same thing and I am glad now that the hon. member for Middle is singing from the same hymn sheet.

If I may just now turn to my amendment, Mr President, and briefly - well, it will not be that briefly, I am sorry - and explain the reasons behind that, it is to really to bolt on, to add on to what has been put before in Mr North's amendment and the original motion and to say that regulation should not just be restricted to gas or natural gas or LPG or whatever, that regulation should encompass all the field of energy.

Now, I spoke to a fisherman down on Douglas quay the other day and he said to me, 'Well, if I go over to Northern Ireland I can fill my tank up with diesel there and save £300, yet the same boat from Milford Haven delivers to here and there', and that is anecdotal evidence and obviously remains to be tested but it does indicate that there are areas beyond that which require possibly consideration, certainly there was a feeling there. My prime concern really is to possibly look at the electricity prices which I think certainly need to be brought within that remit as well.

Now, if I quote from a letter to Mrs Crowe, as chairman of the Office of Fair Trading, from Mr Sidley, and hopefully not be then taken as a spokesperson for Mr Sidley (*Mr Cretney interjecting*), but just to make the point that he says there, 'There is no justification for singling out Manx Gas, especially when the state-owned Manx Electricity Authority produces annual profits of more than twice those of Manx Gas on similar energy sales.' And he does in that particular point make a valid point in that the Manx Electricity Authority does make a considerable return on its operating profit and if you take last year's accounts which are indicative of the previous five years' accounts which are roughly following through in a similar vein, on a turnover of just under £33 million there was a surplus of £5,841,000 and the profit levels over the five-year period are, give or take a percentage point, 16 per cent, so there is quite a healthy return on turnover there, a surplus that is required.

Now, the important thing, and this is the crux of why I believe we need to look very carefully at what has been happening with electricity prices in the past and now coming into the present, is what has been happening to that 16 per cent surplus which has been generated year on year on year? Now, the accounts tell us that it goes into something called an asset replacement reserve, which at this point in time stands at £52 million, on top of which there is another £12 million general reserve, on top of which there is another little item in the accounts called deferred income which is now currently standing about £5<sup>1</sup>/<sub>2</sub> million, which seems to be another little pot, the note for deferred income in the accounts: 'Customer contributions in respect of fixed assets are treated as deferred income', i.e. money is coming out of income and out of revenue and being itemised against assets.

Now, in terms of the asset replacement reserve, it is noted: 'The asset replacement reserve comprises annual appropriations for the future replacement of fixed assets.' Well, in fact there is not a pot of £52 million, there is not £52 million in the bank anywhere representing that reserve, although the layman reading accounts would expect to see such a thing, but I am advised that this is quite acceptable, but that actually £52 million is already in fixed assets. It is in there and that is a very important principle which I think this Court ought to take note of.

What has been happening year on year on year with the Manx Electricity Authority is that it has been spending revenue to buy capital assets. Now, that principle, okay it does have some attractions, you could say it is quite prudent, but it is an unusual principle for a public utility to follow and it is an unusual principle for the like of a public body to follow in many respects.

Now, making an analogy with local government and an experience I had a few years ago in my own authority where I was charged with the clerk to organise the finances for buying some wheelie bins, we could have bought those wheelie bins outright out of our operating reserves, but I spoke to somebody in Treasury, because we were discussing what was the best way to go forward, and we were clearly advised that the right thing to do is to borrow money and pay that back over a period of years, roughly over the lifetime of the wheelie bins. Therefore the customer year on year is paying for the product they receive, not the customers today paying for the customers tomorrow, but year on year, and this is very interesting because that principle should really apply to a public utility like the Manx Electricity Authority.

Now, the Manx Electricity Authority's borrowings are rather low, they are only at about £10 million, and what has been happening is that for many years the price of electricity has been artificially high because the MEA have been taking out of revenue to buy assets for the future and it has not been capitalising those assets and paying them to the customers as they receive them.

Now, I have made enquiries in the UK in terms of the principles for public utilities across and I am reliably told that, yes, you capitalise your assets as you need them and the customers of the day pay for what they are receiving. So effectively customers from times past have been paying for the cheap electricity which people are going to get from now on in many respects. Yes, there are going to be benefits from the new generation policy, the cable and again possibly with the gas, but the principle is there that things have been paid for by customers in the past and that is an unusual principle and this is why I believe that you ought to have some regulation of not just the gas but electricity and wider than that in other fuels as well because who has authorised that rather unusual departure from public utility principles?

Now, these accounts go through the DTI, the Treasury and indeed they go through the Public Accounts Committee and yet no-one seems to have picked up this fact that yesterday's customers are paying for tomorrow's cheap electricity and that is why I believe we need some external clinical assessment of what is going on with the finances in such bodies as this and I believe that what has been suggested by the Office of Fair Trading in terms of Manx Gas, i.e. a system which would be similar to utility regulation established in Great Britain would also be appropriate to the Manx Electricity Authority, and the terms of my motion are left suitably vague in that the Council of Ministers further consider the options for the establishment of an Office of Energy Regulation, and I am not bothered what name it is called or how it is done, but that basic requirement is needed and also obviously as opposed to the UK and the system of regulation in the UK, things are different in the Isle of Man in that we are an island. We have to look at things like security of supply. We have to look at the diversity of energy supply so the criteria that we would use would obviously be different from what takes place in the UK and I do not particularly want to see the establishment of another bureaucracy. I do believe this is a service that could well certainly be investigated, could be contracted out to regulators with that experience across.

Well, if I could just wind up there, there is a need to look at what has happened with electricity prices and how that is going to be affected in the future and I do believe members ought to be concerned about the balance sheet in the authority's accounts when in 2004 the Peel power station is likely to be redundant, because when Pulrose, new and old, are both on natural gas the economics of Peel will become less and less justifiable and we are then going to be in the position of either having to sell/write-off/do something else with a power station which will only be 10 years old, less than halfway through its life, the engines will be halfway through their nominal expected life, say, of 20 years at normal operation. However, those engines by that time will not even have done half their life because they have not been used at full whack because there have been problems there. So we are going to be writing off Peel. What little wobbles in the accounts is that going to produce? And that is why I believe we do need some sort of outside, independent, clinical assessment and we should not just let it get brushed under the carpet, 'Well, that was a bit of a mistake: let's forget about it.' It needs to be out in the open. Thank you, Mr President. I beg to move:

*In (2) after Island, add “, and;”*

*Add -*

*“(3) the Council of Ministers further consider the options for the establishment of an Office of Energy Regulation to safeguard the interests of the consumer and acknowledging the needs of -*

- (a) *diversity of energy supply;*
- (b) *security of energy supply;*
- (c) *competition where possible; and*
- (d) *environmental benefit.”*

**The President:** The hon. member for Onchan.

**Mr Cannell:** Thank you, Mr President. Certainly it seems to be a case of all gas and gaiters this afternoon. (*Interjections*) There does not seem much room for laughing gas, that is the point about it. I do not know where we are with all this lot. You have got me confused. In my simpleton mind all I want to do is try and get a reasonable gas price for the people of the Isle of Man (**Members:** Hear, hear.) myself included. That is what we are trying to do, but I have got reports and amendments and recommendations and heaven knows what here. Now, what we have had in my generation is coal gas and what we have got now are people such as myself who have actually gone back to carrying buckets of coal in to keep the house warm because you cannot afford to put the gas central heating on. It still does make economic sense, despite the fact I have got to do the Hoovering every morning to clean up after it.

**Mrs Crowe:** And it pollutes the atmosphere.

**Mr Cannell:** But seriously, who would have ever thought that you would demand that people go back to humping buckets of coal in and out and all the attendant mess that goes with it to save putting on the central heating for gas. There is only one reason, the gas is too dear, and I do not care what the OFT, Mr Sidley and anybody else says about it. The fact remains that we are paying too much for it. Now, I am not blaming anybody for that, I am just saying let us try and do something about it.

Now, I know lots of people have been taking a lot of time and effort to do just that, so we come back to the great report and on the opening pages about the key findings it is set out for us in the OFT report. We do not need any more information. They say, ‘The Island’s public gas supplier is able to abuse its monopoly position by not passing on cost benefits to customers which it would almost certainly have to if it was operating in a competitive market.’ Now, that is not going to happen for now, but the hon. member for Rushen has pointed us to a way in which we can not only isolate gas as a problem but some of our other energy sources as well.

Now, it is not very long ago I think I stood in this hon. position here - I think it is within living memory of me being here rather than sitting on those benches - but I thought we were told that if we brought a cable into the Isle of Man I think I remember standing up and saying, ‘What savings are we going to have?’, and being told, ‘None.’ The cable would come in and we would not actually, by doing all those wonderful works, save the customer anything, to which I sat down shaking my head and thought what a folly it all is and again I must be missing the point, but, lo and behold, we have brought a cable in and, lo and behold, for someone who enjoys the name of Proffitt, we are suddenly actually reducing the cost of electricity to the customer because that gentleman and his now new more enlightened board have decided that they can actually help the customer, and that is a great step forward and it has been very, very, extremely welcomed by everyone and let us hope there is more to come.

So if we are going to bring pipelines in and going to do this, that and the other, let us make sure why we are doing it, and the cost of gas has gone off the clock or off the meter. It is absolutely to the point where people are ringing up and getting bills for only moderate turnings on of this fuel and receiving bills of £400, pensioners saying, ‘How have I suddenly arrived at this position?’, because if it had gone up gradually either they would have been able to afford it or they would have

seen which way it was going and made alternative arrangements, but something has happened and I am waiting for the wizards to tell me what it is because the bills have suddenly gone up.

Now, if the company will come along and make a recommendation to us that it was beyond their control we will have no alternative to accept it, but that is not what it says here: 'Inter-fuel competition does not necessarily provide an adequate constraint on prices.' Okay, but it then says, 'The current level of tariff costs has caused genuine hardship to some customers.' In actual fact I would suggest that it should have read, 'The current level of tariff costs has caused genuine hardship to every customer', because that is in fact what we are doing and we as representatives of the public should be throwing everything we have got at trying to find out not just how that happened but about getting it back down again to a level at which it is competitive with other fuels in the Island and competitive with the rates which other people pay for gas in other places.

Now, I know we have got to get it here, but it is no more remote to bring it here than it is to bring gas to other places in the United Kingdom and yet we are not hearing of them having ridiculously high prices, and again I do not point the finger at the directors of the company who in fact are in the business of making money for their company, that is the business they are in, but we are in the business of trying to make sure that they do not go ripping people off, and I am not saying that they are doing at the moment, but the implication is there that high profits are being made or unduly excessive profits are being made, bordering, I think, is what the OFT actually said or somewhere in this report I think it actually says that the profits are on the upper edge of acceptability, let us go for that.

So we then turn to section 9, page 46 of the recommendations and indeed we do see, 'In view of the company's failure to provide adequate notice of price increases to customers and the OFT, the commission is not confident the company would voluntarily comply with such administrative provisions.' Now, why are they doing that? Why won't they? The reason for that is that they do not want to volunteer to make less money and you cannot blame them to some degree. No company is going to be told, 'We wouldn't mind it if you didn't make quite as much profit, old boy.' If you are set up to make money that is your prime objective. That is what you are on a board of directors to do, to maximise profits. We are here to try to make sure the companies operating in the Isle of Man do not take advantage of the Manx public, because at 9.3 then the commission recommends the Council of Ministers to set up a sub-committee.

Now, according to the information here, according to the amendment moved by my hon. colleague here for Middle, Mr North, he says in his amendment that it should be noted that the recommendations contained in sections 9.3 and 9.6 thereof have already been adopted, in which case why are we here today? Perhaps the hon. member that is moving the Bill - and we have got to go back three or four paces here - will actually tell me because I am confused and I know I have got my own amendment on the table now. All mine is doing is trying to chase the committee that is going to be set up, if indeed it is accepted, to actually get round to doing this in the minimum possible time so that we will hear before the dissolution for the summer recess that in fact something has happened, because that will be the time when it will be possible surely to the Lord, the weather cannot be that bad that it will be worse in the summer than the winter, that in actual fact the least use of gas will be getting taken, in July, and there will be more natural inclination to actually entertain the hopes that we are trying to project here.

So we have got amendments till we are blue in the face and I for one am a little bit confused, but I return to the fact at the end of the day that people are telling me, my constituents, or our constituents are telling us, that in fact the price of gas is crippling them, they cannot afford to switch their appliances on. Now, it is one thing if you turn a major gas appliance on in a house or lash your central heating on to maximum and leave it on day and night. These people are not

doing that, these people are just trying to heat their houses, and I know it is a fairly new phenomenon to have central heating. We Manx people did not have it up to 20 years ago and in actual fact many people say it is a bad thing for you, but people have come to have these luxuries now and they cannot afford it. They are just saying, 'Mr Cannell, I can't afford to turn this on at all: what can I do?', and the answer to that is only the old maxim in the Isle of Man to put another overcoat on and a fat lot of use that is.

We should be able in this Island with our developed nation to actually give customers in the Isle of Man reasonably priced domestic gas and reasonably priced domestic electricity and reasonably priced domestic petrol costs. We should be able to do it by hook or by crook. This parliament should take the responsibility of supplying those basic commodities to its customers at an affordable price, and that is not the situation at the present moment.

So we have the hon. member for Middle's amendments where he says some of this has already been done. If it has, I do not know of it. I am trying now with my amendment to just put a bit of time into it so that we get it in this session. We also have the amendment by my hon. colleague for Rushen, Mr Rimington, where he goes further and in fact puts his amendment before us - and I hope I shall not go over the top of my hon. colleague for Onchan here's desire of seconding it, I am quite happy to do that - that it be broadened out, because if ever there is a crossroads on fuel, this is it. This is where we are at. We have got to decide this today before we go home tonight, that we do back the whole intention, as outlined in the report, of coming to some method acceptable to the company acceptable to the members but most of all acceptable to the consumers that we mean what we say, we are going to address this issue and do something, not just say we are going to have feasibility reports, we are going to undertake a study, we are going to think about it, and as they say about the hole in the ground, 'We're looking into it.' It is not good enough we need firm action and the time to do it, sir, is now.

**The President:** Hon. member, Mr Karran.

**Mr Karran:** Eaghtyrane, I am not sure whether my colleague seconded the proposal from Mr Rimington.

**Mr Cannell:** Yes, I did.

**Mr Karran:** I have to be honest with you, as far as this debate is concerned I was a bit confused about it being here in the first place because at the end of the day the battle over the gas situation was fought and the seeds were sown 10 years ago when some of the lone voices that were in the chamber then fought the issue, so I was a bit amused because I believe that everybody realises that if we are to get natural gas on the Island it has got to be in conjunction with the government. There is no way that it is going to be done unilaterally without support from the government and without being a package of measures, not just as far as the gas is concerned, but also as far as the generation of electricity is concerned, so I was a bit surprised today. The groundwork for trying to get natural gas on this Island has been done and was done well a number of years ago and it is something that was persona non grata in this hon. Court and now it is accepted as being a reality.

But the only reason why I wanted to support the member for Rushen's amendment was the fact that he talks about an office for energy to be regulated, and I believe that that is something that does need to be looked at as a whole as far as the Island is concerned and I do believe that far too often it is done too unilaterally, that we have looked from the different vested interest points. So if I was to support any amendment of the original proposal it would be on that point alone because I do think that that would be the only thing useful that would come out of this debate.

Obviously again if the hon. member was to read *Hansard* several years ago he would see that this proposal has been tried before and it was regarded as persona non grata, so it is nice to see that the things that were classed as being just on the utter fringe of possibilities are now being seen as being something that can be attainable today.

So I just stand up to say that if we are to support any of the amendments of item 33, then I suppose we should at least try and get some sort of overseeing body to regulate energy requirements on the Island from a perspective of the whole nation because I am a bit confused how this item is on the agenda to start off with and I am confused as to who is trying to take the credit from whom and I think if we can just pat everybody on the back, then maybe we can get on to the next item a little bit quicker.

**The President:** Well, we will, hon. member. Now, you have indicated that you are supporting Mr Rimington. Can I make it quite plain, please: are you seconding Mr Rimington's amendment?

**Mr Karran:** Yes, I will second.

**Mr Cannell:** I already had done that, Mr President.

**The President:** No, you had not, sir, you have moved an amendment, and that is where the confusion comes in. Mr Karran has seconded Mr Rimington's amendment. Now then, hon. member, Mr Shimmin, Mr Cannell's amendment has not yet been seconded.

**Mr Shimmin:** Thank you, Mr President. I do not wish to take any credit for this, I have not got years of *Hansard* comments on this issue, but the fact that some of us do not constantly talk about issues does not mean we are not doing anything about it.

We are all fully aware of the concerns the constituents have regarding gas prices. Today we have got a motion properly put down discussing a report previously discussed amongst ourselves. To that the way forward, I believe, although I am biased, I am in the department, is the amendment moved by my colleague for Middle, Mr North. The issue is quite simple. The timing of this is unfortunate.

**Mr North:** Opportune.

**Mr Shimmin:** If this had come next week we would be far more aware of the proposals coming forward. The opportunity now gives us a chance of chatting about it, and I agree it is the first opportunity the hon. member would have had to have laid such a motion. I appreciate that. From the DTI's point of view all members are aware, issues are developing. That will move the case forward so much further than any further discussions this afternoon and I believe by this time tomorrow we will all be far more aware of the circumstances and the proposals for gas importation to the Island. Anything, and the minister made it clear, which deflects us from that at the moment would be disadvantageous for the people we represent.

Therefore I would urge everybody to look no further than the amendment moved by the minister and wait for the meetings tomorrow and I believe we will all then be in a much more knowledgeable and happier position that the future is going to be clear. Thank you, sir.

**The President:** Hon. member, Mrs Crowe, speaking to Mr Rimington's amendment.

**Mrs Crowe:** Thank you, Mr President, I am indeed and although I am speaking to Mr Rimington's amendment, it is actually a matter of clarification I want to make about mention that has been made in the report.

One of the key findings was mentioned by the hon. member for Onchan, Mr Cannell, and he said that the Island's gas supplier is able to abuse its monopoly position. We did not suggest in our report that the Manx Gas was abusing its monopoly position at all and I, with all other

members of this Court, would like to see cheaper gas prices and that was a comment that was made, 'We can provide cheaper gas prices.' At the present time with the present supplier we are totally reliant on the feedstock and if you read the report in any depth you would see on page 24 the extraordinary rises in the prices that were being paid, the expected price to be paid for the raw product was \$200 per tonne. That rose at the time of the surcharges to between \$350 and \$375 per tonne. Now, no company, or even any government if we had control of that company, would have been able to absorb that kind of cost without passing on some costs to whoever was using the product. The price of gas at the present time is entirely dependent on countries way out of our control. There is no way this government will be able to dictate to OPEC what the price of oil will be.

So if you read the report thoroughly you will see that that is clearly explained, but I did want to make the point that although our key findings are that the Island's public gas supplier is able to abuse its monopoly position, we did not say at any time that it was doing so. Thank you, Mr President.

**The President:** I call on Mr Henderson to wind up the debate.

**Mr Henderson:** Right, thank you, Mr President. You will have to bear with me somewhat because what I set out to put before this hon. Court as a simple debating point has turned into somewhat of a very complicated issue with four amendments and -

**The President:** Two amendments.

**Mr Henderson:** - quite a few contributors putting their input in, some positive, some which I feel I should address because there have been one or two hon. members who have professed they are totally confused, who I hope to unconfuse.

I was hoping in my winding up that it would be quick, short, snappy and we would get on on a positive note because I am happy with what the hon. minister for the DTI has said and I am happy with the amendment that he has moved which superimposes some of my wording on my original motion and it is driving at the issues that I am after really, only, as he said, it is clarifying it and giving it some more flexibility which his department want: fine.

As I say, I was wanting a positive note perhaps. That is what we will get. But first I need to touch on a couple of negative notes and then perhaps we can get off on the right foot again and I am sorry to say that for some reason Mrs Crowe, the hon. member for Rushen, felt it entirely in keeping with my debate to pass on, which I find distasteful, comments about some of my debate which I felt was an attempt to embarrass me in not reading up on my homework properly. Now, the point of it is I did read the issue about the 1995 Gas Act and in my opening comments I said that the report calls for the continuation of the current testing regime, recognising fully the implications of that, so I have not missed that, far from it, and I think the embarrassment is on to the hon. member, and I tried to be positive, I was happy with her report

**Mrs Crowe:** Yes, I thought I had got a gold star.

**Mr Henderson:** - I praised the department and the hard work that they have done, and that is on record, thankfully, and I have to answer to that.

Secondly, it gives me no pleasure but the comments from the hon. member from Onchan, Mr Karran, should be best ignored. He does have the knack of laying statements on the floor of this hon. Court which an hon. mover of a resolution or motion has no choice but to have some sort of response to, and regarding this confusion why my motion is here, it is quite simple, I laid that out in my debate: it is within standing orders, as the hon. member for West Douglas pointed out.

I have no wish to take any credit off any member of this Court or past members in any hard work that they have done in relation to fuel prices and that is a disgraceful comment or innuendo to place in here at my attempts which have got nothing to do with that. I am carrying on a bit of hard work off my own bat, an honest endeavour, and I did praise various people in my opening comments, though I think the hon. member for Onchan has displayed yet again another disgraceful comment which is completely baseless.

The comments to *Hansard* are refuted also. They are just general embarrassing tactics because he is not here making the motion himself and that is what it boils down to, I am afraid, a touch of jealousy perhaps.

I must thank Mr Singer for his opening comments and for seconding the motion and he made some very good points and put in some of the community's issues and I think that is excellent.

I have already mentioned the hon. member for Middle, Mr North. His amendment is fair do's, as I say. We have met previously and discussed the whole issue and the point is up until today really Mr North has entered into the debate some new information for this Court to consider and to that end my motion has been successful. I have caused a very important report to be discussed and for members to make the comments and a rake of new information, very important, has been disseminated to us this afternoon and I am very pleased with that. (**Mrs Cannell:** Hear, hear.)

Then we had the hon. chairman of the Office of Fair Trading, Mrs Crowe, who made some comments.

I have already dealt with the one that concerned me the most, but the other comments were positive and I was happy that she made the points that she did.

But having said that, I would point out that one of the hon. member's key points was the fact about profitability and wild figures being bandied about and so on and so forth and that the company have to make a profit to survive and so on and reinvest in their enterprise. Well, that is fine, I accept that. What I cannot accept and what I opened with was some of the facts and figures I read out. The point is it does not matter about OPEC: that is a red herring. I know we cannot control OPEC. I know Tynwald is marvellous but I am not that naive to think that we can -

**Mr Downie:** Standing in a drain cannot control them.

**Mr Henderson:** Well, I could not have put it any better, Mr President. Indeed my hon. colleague for West Douglas is absolutely correct. But the point of my debate was to draw out the concerns and certain figures which do not seem to tally up and that is the point and that is that even though we have had all these price hikes due to various things, the profit margins of the company in question for part (1) of my resolution were £8.9 million in 1999 or so which I read out earlier, a bumper year for them, last year was another bumper year, £11 million, or whatever was quoted, £11.5 million, in the press, and this year I am led to believe we are on track again, so irrespective of the price hikes and so on and having to offset the wholesale of the product that they have to buy in, there is still arising an increasing profit margin and I am afraid no-one can deny that: they are in the published figures. Also I did point out that we had a situation where - and funnily enough the director himself has verified it to me because I have been talking to him too, long and hard - it is about £250, £270 per tonne for the import of propane. An 11 kilogramme bottle sold on the street in Douglas, because I have rung the retailers, is about £11.68. A 4.7 kilogramme clocks out at about £7.09. That translates up to nearly a thousand pounds profit over that.

So I am not plucking figures from out of mid-air, I am plucking them off the price tags on things that our consumers are having to pay, so I am afraid they are not wild figures and that is

one of the concerns that drove me to actually place this motion here this afternoon and discuss it in this hon. place.

I think that really touches on all those points.

Also the RPI figures for February - gas stands at 120, 20 points above inflation. That is not a wild figure either.

Anyway the hon. member for Rushen, Mr Rimington, has moved an amendment and had quite a lot to say about that and an energy watchdog and so on. I can see where he is coming from on that and if he wishes to tag along on the tail-coats of my motion I do not mind, I am happy enough for that to happen. He made some good points and I think they are valid and they are worthy of debate. I also note his support for the Department of Trade and Industry amendment.

I am thankful to Mr Cannell for his positive input and he hit the nail on the head of what has driven the whole issue here this afternoon, the consumer, the Manx person who is having to suffer these prices, that is the whole point, a genuine concern, and the fact is that I thought the report, which has got our sword of state on, which I quite like, is a very important report. I do not think it should just be laid, I think people should have a chance and there are some good solid recommendations in there that need to be driven, and that is the point and that may unconfuse my hon. colleague from Onchan Mr Karran.

Mr Cannell also said he was slightly confused. The point is, for his own interest, there has been new information laid before us this afternoon, so what set out as an honest endeavour has proved to be worthwhile and the Department of Trade and Industry are actually happy with what I am trying to do and they have added some flexibility into the whole thing.

So I think that is pretty positive and I think I will end on that note (**Several Members:** Hear, hear.) and I think we can support the DTI amendment to my original motion, Mr President. Thank you, sir.

**The President:** Right, hon. members, the motion is printed at 33 on the order paper. To that we have the two amendments, an amendment moved by the hon. member Mr North and an amendment moved by the hon. member for Rushen, Mr Rimington. Now, hon. members, I propose to take the amendment moved by Mr Rimington first and then follow that by the amendment by Mr North, on the understanding that if Mr North's amendment carries, Mr Rimington's amendment, if it has carried, will automatically be renumbered.

Hon. members, those in favour of Mr Rimington's amendment please say aye; against, no. The noes have it.

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

*In the Keys -*

*For: Messrs Quine, Rimington, Mrs Cannell, Mrs Hannan, Messrs Singer, Karran and Cannell - 7*

*Against: Messrs Gilbey, Rodan, North, Sir Miles Walker, Mrs Crowe, Messrs Henderson, Braidwood, Shimmin, Downie, Bell, Corkill, Gelling and the Speaker - 13*

**The Speaker:** Mr President, the amendment fails to carry, 7 votes in favour and 13 votes against.

*In the Council -*

*For: Mr Crowe - 1*

*Against: Messrs Lowey, Waft, Dr Mann, Mr Radcliffe and Mrs Christian - 5*

**The President:** Hon. members, with 5 votes cast against and 1 vote cast for, Mr Rimington's amendment fails to carry.

I will now, hon. members, put the amendment as moved by the hon. member for Middle, Mr North. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Hon. members, I therefore put item 33 on the order paper as amended by the amendment by Mr North. Will those in favour please say aye; against, no. The ayes have it.

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

*In the Keys -*

*For: Messrs Gilbey, Quine, Rodan, North, Sir Miles Walker, Mrs Crowe, Messrs Rimington, Henderson, Cretney, Braidwood, Mrs Cannell, Messrs Shimmin, Downie, Mrs Hannan, Messrs Singer, Bell, Corkill, Cannell, Gelling and the Speaker - 20*

*Against: Mr Karran - 1*

**The President:** Again, learned Clerk, we have the position, I think, where the voting had already started and Mr Cretney entered later so his vote will not be counted.

**The Speaker:** Mr President, the motion carries, 19 votes in favour and 1 vote against.

*In the Council -*

*For: Messrs Lowey, Waft, Dr Mann, Mr Radcliffe, Mrs Christian and Mr Crowe - 6*

*Against: None*

**The President:** Six votes moved for the motion in the Council, hon. members, the motion as amended therefore carries.

**Mr Cretney:** Could I ask, Mr President, please, for some clarification as to why my vote would be disallowed in relation to the main motion in as much as I was clearly in my place in advance. I regret that I was called out in advance of the first amendment being called but I was clearly in my place for both the subsequent amendment which there was no division called upon, that of Mr North, and I was present in my place when the main motion was put.

**The President:** Hon. member, we had already commenced the voting procedure, which covered the motion and two amendments thereby to it, before you joined your seat and in fact it is quite plain in standing orders, 'every member entitled to do so and be present in Tynwald when the motion is put.' So, hon. member, I think it is quite plain that you were not in when we started the procedure of voting on the motion as amended.

### **Housing Progress Report January 2001 — Debate Commenced**

**The President:** We turn then to number 34, the housing progress report, and again Mr Henderson to move.

**Mr Henderson:** Thank you, Mr President, I beg leave to move:

*That Tynwald, noting the publication by the Department of Local Government and the Environment of a document entitled 'Housing Progress Report January 2001' requests the department -*

*(1) to lay such report before Tynwald;*

*(2) to lay further reports before Tynwald not less than every six months, such reports to include -*

- (a) *an updated appraisal of the Island's housing needs;*
- (b) *an analysis of current mortgage schemes available both from government and the private sector and their appropriateness for first and second-time buyers and;*
- (c) *a report on the department's contacts with financial institutions offering mortgage facilities, developers and estate agents and the outcome of such discussions.*

I think I should just outline some background and history for hon. members in relation to this particular motion and why we have arrived at this point today. In turn this will of course give an understanding to the reasoning for this and the importance of supporting my motion. I would ask if you could bear with me in this respect.

I think it is fair to say that this important issue, meeting the community's housing needs fully, has been on my agenda since early 1999. I have always expressed a keen interest and concern for the housing needs of local people and Island residents in general.

One thing I would like to point out, and it may be helpful for my hon. friend opposite from Onchan, is that I do not wish to detract from the hon. member for Onchan, Mr Karran, and his efforts in highlighting a Manx housing crisis and I would acknowledge the hard work and effort he has put into his endeavours to help the people of this Island in that respect. But having said that, I reckon that probably every hon. member in this Court, myself included, has received just as many phone calls from constituents and people around this Island with their own desperate housing problems, so it is fair to say that I have been acutely aware that there is very definitely a shortage of housing and accommodation. This is right across the whole range of accommodation - rentals, small and large flats, apartments, sheltered accommodation, first-time buyers, second-time buyers.

Just watching the yearly immigration figures is enough to set the warning bells ringing. Also, public sector housing, to an extent the whole property spectrum, is inadequate in meeting the needs of our community in my opinion and that of staff coming to work here in the developing business economy we are currently enjoying.

The hardest-hit section is without doubt what is classed as first-time buyer's accommodation, properties around the £95,000 to £120,000 mark. The shortage here is definitely acute. I have asked numerous questions in an attempt to tackle this problem, addressing a wide range of issues associated with it.

I have watched the price of houses rocket. My first-time buyer house in Ramsey which I bought approximately five and a half years ago for £54,000 is now on the market by another person for £110,000 to £115,000: twice the original price in five years. That means a mortgage repayment of around £600 to £700 per month is required to sustain such a purchase, including of course a 5 to 10 per cent cash deposit.

The answer I got from the Treasury minister was in relation to a parliamentary question I posed long before anyone else started on about earnings: what percentage of the adult working population, as of December last year, earned under the mythical-sounding national average weekly wage of £380-odd per week? I realise this may be slightly changed now but it is still reasonably current for the debate, and the answer given at that time was that there 61 per cent of full-time employees on adult rates of pay earning less than the national average. In other words most of the population of the Isle of Man earn less than this magic figure of £383 per week.

I am sorry to go on but it does and will set the scene and context for my motion if you can just bear with me a little longer, there are just a few more items to put into the picture.

The majority of our working community are earning less than £380 per week. Anyone in this category wishing to buy a first-time buyer's house would require somewhere in the region of £150 to £170 per week, based on my previous analysis, to make the mortgage repayment requirement. A family of four, say, may also require £150 per week in grocery household items. So therefore a potential first-time buyer, possibly a young family, will have to shell out something like £325 a week just to survive and feed themselves and have a roof over their heads, so in real terms that is a complete wage used up. Things are a lot tighter than I think many hon. members realise out there for the average wage earners in the community. That is not even contemplating what might be considered as the really low wage earners.

But it is not just a minority: this is the majority. Put clothing, heating, rates and the other essentials and we get a very stark picture. People are finding it tough going out there. It means both partners of a relationship have to work and others are being priced out of the housing market, measured against the fact that most mortgages work on a formula of three and a half times the main wage earner's salary, plus one time the second income. I am basing these calculations on two of the biggest banks on the Island and one very large building society who all use this formula as a starting point and I have been around and collected my mortgage packs and they are all here, so I am quite au fait with what is on offer to our young people. If they both earn the average wage, then that would mean that the maximum mortgage they could possibly obtain would be around £83,000, but in reality the majority of people earn less than that and in all probability the second wage earner would be earning less than the main wage earner in any case.

Given my earlier figures of a first-time buyer house at around the 110K, 115K mark for a second-time buyer dwelling, then there lies the nub of much of the problem. Many people in our community will find that they cannot even obtain an adequate mortgage. The rocketing house prices are spiralling out of control and out of ordinary people's grasp. Even the proposed DoLGE £85,000 first-time buyer's will cause problems, as many will not be able to afford them or even obtain a mortgage. Even with the house purchasers' assistant scheme, this still will prove difficult for some people.

As for second-time buyer properties, you can almost cut a complete section of the community right out of ever having a hope to make that kind of purchase, and these are clocking in round about £130,000 to £150,000, and those are the upgrades from a first-time buyer moving up to a larger house as the family expands.

Because of our economic success, the full employment, the two main elements causing the annual immigration flow to the Island, which is somewhere around 850 to 890 people per year - and that is the latest figures I can get from the economic affairs - places immense pressure and strain on the existing housing situation.

Given these factors and updated figures, then we do have a very real situation that requires urgent and positive address. Throw in property speculators and rental companies taking out even more housing stock, then it is easy to see why the house prices are on a steep upward curve. This in turn will ultimately place the strain back down the ladder onto the public sector housing where the struggle to obtain accommodation is even harder. Willaston and Olympia, two areas in my constituency, have a two-to three-year waiting list. I have even got people who are coming to me who are literally going to be evicted and have nowhere to go.

There we are - price, availability, immigration, all the main elements causing a silent crisis amongst our community and there is no slacking off of the situation: the pressure is increasing all the time as I see it.

Now, we turn to the original Department of Local Government and the Environment Housing Policy Review Report 1999 which was debated in this hon. Court in January last year. Although I welcomed this report, I was also one of its severest critics for many reasons. Some of my primary concerns were that the report seemed to have plucked 400 houses a year out of nowhere. There was no environmental scanning or SWOT analysis to give us a true picture of the current situation. There is also no mention of any meetings and analysis of the mortgage loan industry, the building industry or even estate agents. There was not even a table of current house or rental prices: crucial for the formulation of a document of this nature and for it to accurately reflect the whole picture and cause a correct and appropriate housing policy to be driven from it.

I stated at that time the report lacked vision and initiatives that are required to meet this ever-increasing demand. I finished up by saying the bullet will have to be bitten and someone will have to face the issue. It will be forced upon them eventually anyway.

Subsequently to that I have launched some components of my own housing strategy which DoLGE have added to theirs and that is my empty property strategy being one such initiative. It has proven that it could be a real success, given the will which it has currently been driven by my hon. colleague, who unfortunately is not here, Mr Houghton.

I have also pinpointed the possible inadequacy of current mortgage and lending schemes, which is including also the adequacy of the house purchase assistance scheme. The private sector is slowly recognising the problem and trying to add plusages to their mortgage schemes which I think the department need to take account of.

I have also endeavoured to bring in enhanced supervision where local authorities are concerned in relation to the amount of empty property under their control and how long it has been empty for.

Then we get this document, the latest housing policy update, a progress report on the Island's current situation following on from the 1999 report delivered to all members.

I needed to detail the history over the past two to three years for hon. members in order to fully realise and understand my total despair and frustration at being given something that is supposed to be progress in addressing one of the most serious issues facing this Island. I felt that the report was not up for debate and it was not laid before Tynwald, our national parliament, and missing all the ingredients I have been outlining for the past 15 to 20 minutes, the very ones I was critical of over a year ago. Not even a copy of the January 2000 debate is in here. I feel that we cannot treat this so lightly. This is affecting our community.

This report is sufficiently important and must be laid before Tynwald on regular occasions as follow-ups are done. To quote my hon. friend opposite me, Mr Cannell, from a year ago, it is a very serious subject. It was then and it even is more so now and I feel it cannot go by unchallenged and untested, especially when no notice has been given to any of the previous concerns, or no apparent notice anyway, that are not related to in the report, which I have had to revisit and reiterate here today for the purposes of my debate. The situation is so serious that the minister and department must come back to this hon. Court at least every six months with a proper updated appraisal, including an appraisal of the Island's housing needs and an analysis of the current mortgage schemes available from both government and private sector and their appropriateness for first and second-time buyers in relation to house prices. This is crucial so that government and the industry can work together and work out what is on offer, does it adequately meet modern housing needs, are first-time buyer needs being met, are there other schemes that could be put in place, could current ones be altered or adjusted, thus allowing an increased accessibility to the housing market.

I am not asking DoLGE to publicly comment on named organisations, far from it, but to examine with the industry the appropriateness and adequacy of what is on offer currently. The wording of this motion is quite clear on that. I do not wish to highlight any specific institutions. Furthermore any additional update reports must include dialogue with the industry itself and that being mortgage lenders, building contractors, estate agents, lawyers.

A fundamental error, I feel, in the report is that it contains no section in relation to local authority consultation or information-gathering process. I am sure that has gone on, but it is not illustrated here to show what has driven the ideas and recommendations.

Also there is no information included from the Manx Housing Trust, which is more vital to help this report on its way. It must represent their views, their facts and figures. They are the ones providing, by one mechanism or another, the provision of housing for this Island. So it is absolutely essential that we have their information. They are at the sharp end, right in the middle of this crisis, to quote my hon. friend from Onchan, so they are the best ones to inform us. This information needs to be in here, we need to see it and it needs to be up for scrutiny and public viewing. This Court needs to understand the full picture, the whole scene, as it were, and I think the hon. health minister used a phrase this morning which I am going to cheekily plagiarise now, which is to give a clear steer, and I do not think we have the clarity to have a clear steer at the minute and this one of the main reasons for the debate, so a proper informed view can be established. This will then provide a greater degree of urgency to the department, give them the backing they need and ensure they are aiming at the right target.

The only thing about this report is the department recognise they have got it wrong and also in relation to housing figures it needs to be upped and I have to praise the department in respect that £750,000 has been given out in the house purchase assistance scheme. So although I am critical, I have to publicly state that there are good points there, especially that and that has gone to our young people, which I am grateful for and I know people who have found houses through this are too.

But we do need more houses, we have been saying that for a long time. The commitment to Douglas alone is in here, 55 houses in five years. This year, according to the housing update document, we will see 37 new properties, 27 of them being sheltered, 10 only being actual houses. The five-year plan for first-time buyer housing and private land seems to be only 31 units, but we might see six houses next year if we are lucky.

Much of the properties are on projection to be built on site still under consideration. There seems to be no comprehensive strategic response to the net immigration factors that are with us now or the range of current demand required, especially young single people. Recognising these factors is fine, but the projected target in my opinion is still too low and I am frightened that demand is and will be far in excess of what we see in this report. Furthermore, that is why it is urgent and essential to talk to all, and I stress that, all elements of the industry which I have highlighted to get this right.

The figures I have collected seem to be indicating a more serious situation. If we have a net immigration of somewhere between 850 and 890 people annually, a percentage of our own population in the housing market, including 300 or so on the Douglas public sector housing list, 250 on one particular estate agent's books for first-time buyer accommodation and perhaps 300 or so with their names down for the Harcroft development I leave hon. members to make their own minds up.

In order to help ease this worsening situation this Court needs to be continuously appraised of the situation. We need the full true picture, whether the department likes it or not. There needs

to be an element of strategic scrutiny from time to time and even direction if needs be and full public awareness. We need continuous assessment of the adequacy and appropriateness of the financial packages variously available. We also need the input of all elements of the housing and property industry. We need their valuable information to inform and direct a strategy that must be as relevant and accurate as possible. Members of Tynwald need to be equally informed and able to contribute if necessary. This Court needs to be know what the whole situation is, not part of it.

Finally, I am not naive enough to think that this motion, should it be successful in one form or amended other, will be the complete answer to the Island's housing problems, but did indicate I was progressing a number of ideas to help. This is one of them and if it causes a policy change, redirection of funds to readdress the housing situation of this Island in a more effective fashion by ensuring that the housing report accurately reflects the real issues and drives DoLGE policy accordingly and not as we see now where I feel it is somewhat adrift, then I have done my job. I beg to move.

**The President:** Hon. member for Onchan, Mr Karran.

**Mr Karran:** Eaghtyrane, I would like to second the proposal here simply because of the fact that it talks about the laying of reports not less than every six months and that is the reason why I am supporting this motion here today, because the hon. member is doing something that needs to be done: the pressure needs to be kept on.

We just recently had a meeting to do with my private member's Bill and we had the member for Rushen, Sir Miles, saying that maybe I am being a bit hard about there being a cartel as far as keeping the prices up and I do not think there is political will in this House to solve this problem. I find it amazing that I can do in the last year a proposal that could create 290 first-time buyer's houses and what have we got? For four years of hard work from the Department of Local Government we are talking about 78 houses that are approved at the moment that are going to happen, and when we look at the present report that we have got here, it is a farce. The fact is we talk about nearly 400 houses for first-time buyers, but we have got 155 of them on sites that are under negotiation at the present time. That is like the bird in the hand and the bird in the bush as far as it is concerned. It is an absolute con as far as the Island is concerned.

We are not addressing the issue as far as first-time buyers are concerned and I think that we must not allow the government off the hook of making them do a report every six months. We have got this report here and it is farcical, but at the end of the day it is something to say that by the end of the next year we should have 78 houses built in the Douglas area as far as that is concerned, which is farcical, but it is something. We are the only nation where we have a national lottery in order to be able to afford to be lucky enough to be pulled out of the hat to get an affordable house. Other people have a national lottery for winning millions and we have this situation, and this report highlights that and I do not want to hear a situation when they try and make this proposal into a farce by taking that out: 'Oh, it'll take time to be able to do these reports.' We need to know where they are and as far as I am concerned I do not believe this House is singing from the same hymn sheet when it comes to the housing crisis in this Island. There are too many in this House who are aiding and abetting it in my opinion and I hope that that stays in because if that goes out, throw the lot out because the fact is we are not going to get anywhere.

I think the other point is analysing the current mortgage situation. This idea of putting a ceiling of £85,000 for first-time buyer's houses effectively disenfranchises anybody in Onchan from having a house in Onchan because we have not got any. I cannot think of any. Maybe my colleagues can tell me where I am going to find a house in Onchan for £85,000. The only houses I think that there could be are some very, very small terraced houses in one street in Onchan. It used to be bad enough when we used to talk about having five streets in Onchan where the

government mortgage scheme can come from, but now I do not think there is one street in Onchan where we could find a house for a person. The only place that is possible is a conversion job down on Royal Avenue West in my constituency, and that is not good enough.

I would say I might not have thought much of the previous proposal but as far as this is concerned it should be supported as far as making them come back and tell us where they have got to, where we have got to as far as this is concerned. We hear the quote of 369 units for first-time buyers houses and yet, as I say, we do not even have the land negotiated for 155 of them yet.

I hope this House will support this proposal, will not allow the shenanigans of saying, 'Oh, well, it takes officers' time up to come back and tell us where we are.' We are in this situation at the present time because of the fact that we did not keep the pressure on, a greater majority of us, to get this issue addressed. This issue has not just arrived today. It has been coming for the last five years.

So I hope this House will support this proposal and not allow the executive to water it down and allow the situation so that we had a fudge, because our people out there will indict us as a government over this issue. There are three basic responsibilities of a government - feed its people, defend its people and house its people - and we are certainly not housing our people at the present time. I hope this House supports the proposal as it stands.

**The President:** Now, hon. members, I think it is an appropriate time for us to adjourn and we will adjourn until quarter to five and perhaps, returning refreshed, we will finish our agenda in a rush.

*The Court adjourned at 4.25 p.m.*

### **Housing Progress Report January 2001 — Debate Concluded — Amended Motion Carried**

**The President:** Hon. members, we will continue our debate. I call on the hon. member for Glenfaba, Mr Gilbey.

**Mr Gilbey:** Mr President, I appreciate the hon. member for North Douglas, Mr Henderson's interest in housing issues. The department also recognises the valuable contribution both he and Mr Houghton, the other hon. member for North Douglas, have made towards the Empty Properties Initiative Committee, which committee is due to report to this hon. Court later this year on ways of maximising the use of empty properties on the Island.

However, I certainly cannot and do not accept the hon. member's criticisms of the housing progress report. There are two fundamental points. Firstly length and verbosity are not necessarily advantageous. Furthermore the officers of the department are far better employed in working to provide more houses, not writing lengthy reports which do not provide a single home for anyone.

Taking the same attitude that a speech does not have to be eternal to be immortal, I am not going to answer all the hon. member's points one by one. However, what I can say without fear of contradiction is that the department is making progress, substantial and real progress, and is determined to make more.

Now, regarding the hon. member for Onchan, Mr Karran, I am not going to comment on his usual ranting and wild attacks on other hon. members of this House.

Having met the hon. mover to discuss the resolution he has moved, I rise to propose an amendment to it. The amendment has his full agreement and the revised wording will clarify the points he is making as well as make reference to other areas in housing that the department is currently progressing. The department is totally willing to lay the Housing Progress Report January 2001, of which hon. members already have copies, before this hon. Court, although of

course it is not very environmentally friendly and it will need distributing another 30. However, it does not wish to enter into an open-ended commitment to lay further progress reports before Tynwald, not less than every six months for ever. Owing to changes in circumstances this indeed may not be appropriate in the future. Nevertheless the department makes the commitment to lay before Tynwald two further reports in October 2001 this year and April 2002 next year.

The department believes that it is appropriate for progress reports to include updated appraisals of the Island's housing needs. This information has been included in past reports and will continue to feature the future versions.

The department considers that it would not be appropriate to provide an analysis of private sector mortgage schemes available to first and second-time buyer's owing to the likelihood of publicising information of a commercially sensitive nature and the fact that it could be taken as an illegal practice of providing financial advice. However, it will publicise the particulars of current house purchase schemes available on the Island in future update reports.

I am very pleased to report that the department has achieved very good progress in meeting the different aspects of its housing policy and in this respect I am indebted very much to the very important work undertaken by the estates and housing directorate and I would like to take this opportunity to thank their political leader, the hon. member for Ayre, and all the officers for their very worthwhile efforts.

Two areas currently under investigation by that directorate are the provision of housing association accommodation on the Island and the availability and adequacy of other support measures available to persons in respect of their housing costs. Owing to the importance of these issues the department undertakes to include in future reports details of the progress achieved.

As you would expect, the department is in regular contact with the private sector and local authorities in relation to housing issues. In recognition of that input the department undertakes to include their general views in respect of housing issues in future reports.

I would like to reiterate my thanks to the hon. member for bringing forward this resolution, although I did not quite like the terms of his speech. However, I am, with his full agreement, moving an amendment to the resolution on today's agenda in the terms that have been circulated: Mr President, I beg to move:

*Delete (1) and (2) and substitute the following -*

*(1) to lay such report before Tynwald;*

*(2) to lay further, similar reports before Tynwald at the October 2001 and April 2002 sittings, such reports to include -*

*(a) an updated appraisal of the Island's housing needs;*

*(b) particulars of current house purchase schemes available on the Island to assist first and second-time buyers;*

*(c) measure to advance the provision of Housing Association accommodation;*

*(d) other support measures to assist persons in respect of their housing costs; and*

*(e) the general views of the private sector and local authorities.*

**The President:** Hon. member for Council, Mr Crowe.

**Mr Crowe:** Mr President, I am pleased to second the amendment and fully endorse the minister's remarks.

**The President:** Hon. member for Council, Mr Lowey.

**Mr Lowey:** I will not keep the Court long but I do find it rather strange when the minister moves an amendment deleting the words 'to lay such report before Tynwald' and substitutes 'to lay such reports before Tynwald'. That is not very clever in my view. He could have deleted number (2) and substituted. To delete something and then replace it with exactly the same, that is a minor detail.

Can I say on housing to the minister - and I do not usually rant and do not intend to rant today - just because I disagree with what has happened in the past with the department does not mean to say that I should be discounted today. I believe we have missed an opportunity. Catching up is not the name of the game, but as I said before, if we had the archangel Gabriel in charge of Wimpey's we would not catch up.

I do recognise what the department is doing, but still recite that I do not think it is enough and really, in essence, that is what the mover of the main resolution was actually saying, that he wants to keep the pressure on and it is still not enough and I somehow get the feeling that if you say that, somehow you are attacking the department and you are undermining the officials, nothing could be further from the truth. I think it is in support and to give you more weight when you talk with Treasury and other departments of government, so I do take exception, I feel, because I take a slightly different point of view. The aims and objectives are real, the people out there need to be serviced, they have not been serviced as well as they should have been.

As far as I am concerned, well I will accept the amendment if that is what you want and I do believe in the new House, when that comes, if they wish to have a six-monthly report after that, that is up to the new House, so I accept that on principle, but I do not think it very clever to be deleting one line just for the sake of deleting it and then replacing it with exactly the same wording. That is not very clever.

**The President:** The hon. member for Peel, Mrs Hannan.

**Mrs Hannan:** Thank you, Mr President. I am really concerned about what is developing and what has developed over the time and that is to some extent this sort of panic. There is a shortage of housing, there is a shortage of housing in certain areas where people want to live locally, but what concerns me is that we are actually feeding the developers who are then able to ask exactly what they want house price-wise and that concerns me, that the department is doing their bit and the people that are able to purchase the Department of Local Government housing, which is in a special price range, have an added advantage over those that have to buy from developers and it really does concern me that we are holding up, you could say, a carrot to certain people saying, 'This is available', but in other areas if they want to live in maybe my area, they would have to pay the full price.

The other thing which concerns me is pushing developers into producing this magical 400 houses a year and 400 first-time buyer houses to my mind is not exactly what we want. In my area there is something like, say, 50 being developed on one site, there are another 50 first-time buyer's proposed on another site, so that is 100 in Peel altogether, and another developer who got planning approval for eight had actually got planning approval but was actually encouraged by the department to increase that number from the eight to 18 and go for planning approval for first-time buyer's. It was a different site altogether, it was quite a high-profile site, and the planning, although encouraged by the Department of Local Government, have said no.

I just wonder when on one hand one body is doing eight houses where people could have moved out of lower priced houses into maybe second-time buyer houses, but the department was saying these should be first-time buyers and so is that to get this number up to this magical 400?

I just wonder and I think we are going to have two classes. We are going to have a huge great big waiting-list for houses for these subsidised through the Department of Local Government and then the developers being asked what they want in other areas, and it concerns me also, this push to get planning through at all cost for the same department, all these houses that have been estimated that we require, but we should be looking at proper planning standards, proper building standards. I only asked a question yesterday, eight years ago, nine years ago and it took eight years to sort out a problem.

I am also concerned about the number of personnel who we have to inspect either planning or building bye-laws or whatever. If we are going to push this, more houses, more houses to fill this need, we have got to supply the people that are there, that are able to supervise to the standards that are being asked at the time, and to my mind we have just had the report that has been done by the Council of Ministers on the Mount Murray site which says that people are under pressure, they are under pressure in the planning area, they are under pressure for supervising various areas of these developments and that was only on that particular site.

So what concerns me is, and I think what should form part of this housing report that we get, that we have got enough staff to carry out all of this building work. You have only got to look back a few years when the number of houses that were being built was maybe in the teens every year. What I would like to know is have we changed from that to the personnel to supervise this sort of number from those sort of maybe in the teens or maybe 100 houses to this 400 houses a year. That is what I think we should be concerned about, that we have put in place something to make sure that the people that are buying these houses have houses which are of a good quality and have all the standards that we would expect if we were purchasing a house to be in place to supervise and ensure that the developers that are building these properties are supervised and that we ensure that the people buying these houses have these houses to the right and correct standard. There is no point in having all these standards, there is no point in having planning and everything that goes through if the planning office is in upheaval because there are not enough staff to do it, or bye-laws or people in the Department of Transport who have to supervise the making-up of roads so that the taxpayers, when they adopt these roads, are of a particular standard.

So there are a huge number of issues. Yes, it is all very well bringing up these issues time and time again and having the reports and asking for more and more reports, but we have got to be sure that if we are pressing on with more and more houses, they should be of a correct standard and that they are the standard which we have developed these building conditions/planning conditions to fulfil. So I would hope that that can also be part of the housing report, to say that there are enough people to supervise, that the supervision has been up to a proper standard and that these houses are being developed and that there is something else put in place for these first-time buyers that are not going to be buying the Department of Local Government's houses but through the developer, and what we are doing by these debates all the time is actually pushing the price of houses up for these developers.

So I am concerned at what is happening and I am sure the mover will say that it is not his intention, and I am sure it is not the intention of anyone here at all, but my concern is that by doing this we are, because you only have to see what the estate agents do if the houses are not selling: they are there and saying government must be doing more, they must be putting more into mortgages or they must be building more if there are not enough houses, anything to keep the house prices up for estate agents as well.

I would hope that we can be a little bit more circumspect when it comes to this, provide housing for our people, but good quality and satisfying all the standards.

**The President:** The hon. member for Ayre.

**Mr Quine:** Thank you, Mr President. I think we are getting a mixed message. We are getting a message with which I can align myself and that is that there is a need for a great deal more housing. We are also getting the message, of course, that we are producing too much housing and not to an adequate standard.

I think I would like to take a little while just to put on record where we are with all of this and the position I take in relation to this is essentially one of cause and effect. This is not a housing problem, this is an economic problem and the housing problem has flowed from an economic problem. It may be an economic problem with which we are happy to live. After all we are doing very well out of it in many ways. But it is a fact that what we are racing against is essentially three factors that are increasing demand for housing. The first is net immigration. We are now well over 900 a year and on my latest consultation I am told that we are heading towards a thousand a year. That is quite exceptional. Secondly, of course, because of the excellent employment situation and the economy generally, we have greater affluence, so we have a significant number of younger people seeking to achieve independence in terms of their own homes, their acquiring of homes at an earlier point in time, and thirdly, of course, we have, as I suppose has always been with us, changing social norms and the more affluent our conditions, obviously the faster those norms are likely to change.

So I think it is well for us to reflect that that is the cause. It is not for me as a member of the department, I cannot control that. My remit is to try to do the best we can to keep abreast of that demand. But the effect is that we do have an exceptional demand for housing generally and in particular for government-assisted housing and public housing.

We can approach that, I suppose, from two angles. We can seek to contain the demand. Quite clearly that is not the policy of the present government, that is not the policy of the Council of Ministers to contain demand. Yes we have put through a residency control Bill, but we are not going to see anything positive flow from that in any reasonable period of time, so I am afraid what we are left with is to do the best we can in the exceptional circumstances which exist and essentially without recourse to any extraordinary legislation, and let us be quite honest, extraordinary legislation would be politically untenable because while we have the demand for housing and we have quite rightly people saying, 'We want this housing, we are not adequately housed, we do not have our homes', while we have that situation we also have local authorities and resident groups saying, 'We want no more housing in our area, we have had enough housing', or as one hon. member has said here today, we need to be able to seek greater perfection in terms of the quality of the housing, not eight here but 18 there. In the present circumstances the remit which I have had handed down to me from my minister, which is one that has come from Tynwald, is quite simple and that is to use the resources I have got and to seek such additional resources as I may be able to obtain for to get the largest number of houses produced in the shortest period of time and that is what you have asked me to do, that is what this Court has asked me to do, that is what I am seeking to do and I am delighted with the response from the staff within the estates and housing directorate who are seeking to achieve this. Quite frankly, I would not have been surprised if they had thrown their hands up in disgust and said, 'Try this yourself: see if you can work miracles.' But they have not, they are doing an excellent job and we have been able, I think, as this hon. Court knows, to reinforce them with at least two key members of staff in the last three months. We have a new director of estates and housing and we have an additional architect who are key people in terms of what we are trying to achieve.

But the point that we have reached is that if government are not prepared to contain or restrain demand, then we have to do the best we can with the resources we have got in the shortest timeframe.

Now, what are the key considerations in trying to achieve that? Essentially there are, to my mind, four key elements that we have to address. One is the question of the availability of land. I can provide here, if anybody is interested, a list of all the local plans that have been put to Tynwald over the last 10 years and I think it would be apparent if I were to produce that schedule why we are struggling in terms of the land that we need to develop houses because there was a period of years, and there was good reason for it, in the early nineties when there was not a single local plan which went to Tynwald and if you do not put plans to Tynwald you cannot accumulate landbank.

Since 1997 we have put seven local plans to Tynwald. We have another seven, I think it is, in the queue and two are well advanced and it is through those vehicles that we are going to address this issue of land, and it may be something of an aside but I have here all seven of those local plans and it would be interesting, given the inordinate interest in housing that quite rightly exists within this hon. Court, to look at the interest displayed by the members of this Court at these local inquiries. How many members of this hon. Court? Four, to be precise, four members have taken the trouble to appear at local plans and in two of those cases they were not saying, 'We want more land', they were saying, 'We don't want the land sold for housing.' Now, make our minds up. If you want housing, we must have land and it is no use saying, 'Yes, I agree we need land, we ought to get this land, but not in my sheading, not in my town: try somebody else's town.' If we have got to make this wheel turn I would like to see a few more shoulders put to the wheel and I would like them to face up to the political implications of doing that.

There is then the question of funding these developments and I do not hold out that funding is any serious problem to us. A large number of the units we are seeking to build are being produced, and rightly produced, through the private sector. That is the way it is, that is the way it should be and many of the people can pay for this, they have the means to pay for it and it is quite proper that they should pay for it in the open market situation.

In terms of those houses which come into the bracket which I would call government-assisted and public housing and that sort of thing, we can ordinarily get the moneys that we need from Treasury. I might not subscribe to the tight control procedures which they apply because time can be lost, and just to give an example, if I want to, as I am, seek to assemble land for urban regeneration up - I think everybody knows it - opposite on the Noble's Hospital area and I am having to work through a market condition to buy that housing, if Treasury say to me, 'No, you can't pay £175,000 for that, you can only pay £120,000 for that', when I go back with a second bid, it is gone. Now, all right, perhaps there was a difference of £20,000 in that, but if you enter into compulsory purchase you are into a very lengthy procedure and you will be into even greater costs, so I think we do need perhaps greater realism in the application of Treasury procedures in acquiring these lands because unlike the private sector, the private sector can say, 'Yes, I'm going to buy that', and he moves in, that is his offer, that is his land. What have I got to do? I have got to go through a circuitous process that takes me about two months at best to get approval for a purchase. So I think we need to look inwardly towards the controls that are applied over the finance that we need to move along this housing programme.

Of course we have to live with the matter of construction capacity and that is the third element I was going to mention. I think we all know, I think we all recognise that there is a great deal of pressure on the construction capacity of this Island and for perfectly understandable reasons we have got a major hospital and major other projects which all demand the limited resource

available for building, although we can of course and do import certain resources to assist us, but there is a limit and that limit comes back to the point that the hon. member for North Douglas mentioned and that is price. If you got the current pressures, if you got the current heat, you are going to have that reflected in the price, you cannot get away from that, that is an economic consideration, not a housing consideration.

Last but not least is the question of the time frame and it seems to me held out that you can produce houses at the drop of a hat. I have here a copy of a *Hansard*, February 1991, in the midst of one of our earlier housing debates and I think it interesting that the hon. member for Castletown, Mr Brown, made exactly the same point that I have made here on previous occasions: you have got a two-year lead-time to produce houses, a point that was well made by the hon. member for Castletown in the earlier housing debate in this particular case in February 1991. People will not keep housing on the shelf: it is totally impractical. You have got to work to a sequence of events to produce housing.

Now, what policies are we trying to apply to accommodate the people that need to be accommodated with housing? And in truth there is a range of policies and as we have intimated in our interim report, there are two deficiencies in my view within the current policies, which have been approved by Tynwald arising from the housing debate of a year or more ago.

Essentially what we are saying, if one can render it down to simple terms, is that if a person or a family is in receipt of an approved income of £22,000, and 'approved income' is a term used in the house purchase financial assistance scheme, in gross terms that would put a family or a person into a £30,000-plus income bracket. If they are in that bracket we are saying, 'We look to you to work within the market and acquire your own accommodation', and at that level I do not think that is unreasonable. If it is viewed as unreasonable, Tynwald can change that. I do not see the need to change that, but if it is viewed as unreasonable, any member of Tynwald can change that.

We then say, right, if you come below that - and I will stay with the term 'approved income' because that is what is defined in the house purchase financial assistance scheme - and come into the bracket of the £18,000 to £22,000, then you come into the bracket of qualifying, depending upon your income because there is a sliding scale, for a grant towards house purchase and it does not matter whether you are a family or a single person, you come under that scheme, you qualify under that scheme, and the hon. member for Council, Mr Lowey, yesterday quite properly asked a question about, well, are single people able to take advantage of this scheme? And I gave my hon. friend the figures there today and basically the answer is more single people are taking advantage of the scheme than married people. I think if I remember the figure was 68 out of 98. So that scheme is working. In 15 months we are up to a hundred mortgages, grants under this scheme, we are covering families and we are covering single people. There has been a question of course is the £85,000 realistic: should it be £105,000? But let us be quite honest: if we change the £85,000 to £95,000 or £105,000, what do you think those same houses will be on the market for tomorrow? At £105,000 because the estate agents would be licking their lips. The fact that we have held them at that level has paid dividends and I think this is borne out, and here I am taking to task Mr Henderson to a certain point in terms of his figures. Last year there were in the order of 1500 house transactions. Just under 50 per cent of those transactions, 47. something per cent of those transactions, were at less than £120,000 and the movement in price for those houses was 9.6 per cent. So let us stick with the facts. In other words roughly half of the houses transacted were £120,000 or less and the movement in price was not the average of 19 because that is taking in huge, very expensive houses. The movement in price for those under £120,000 was 9.6 per cent. So that is what you might say the second rung in the ladder. That is those where we provide government assistance.

Below that, of course, we come into the area of public housing and the current policy is laid down by statute in point of fact, the statute makes it quite clear what our remit is, and our remit is to provide for the applicant and his family, that is the statutory base, but by extra-statutory arrangements we have gone beyond that and so we, of course, have single elderly people embraced by that and we have single people over 40, 45 embraced by that and even some people under that limit embraced by that. So that is the public housing.

Then of course you come to the fourth element which is those people who do not qualify for public houses but they can qualify for assistance in respect of their housing costs. There is a DHS arrangement for assistance in respect of housing and board and lodgings. Now, whether - and this is not a matter for me, this is a matter for the DHSS and I have no doubt they are looking at this - those allowances kick in at the right level and whether those allowances in terms of the sums of money are sufficient to allow those people in the market to obtain the assistance needed to get a home I think is a matter that needs closer study, and that is the issue which is referred to in the interim report, that is what we have said we are going to do along with the DHSS.

So those are the four rungs of the ladder and that covers in a fairly comprehensive form the different people who could need assistance in respect of housing.

The remaining deficiency, which again is in the report for those who would care to read it, is of course there is clearly a need for what we have termed housing association type of accommodation where we have people who do not need to be subsidised to the extent of public housing but may not be able to aspire or to aspire at this time to home ownership even with a grant. There is a need to accommodate those people and of course if we look elsewhere we can see how that has been done through a housing association arrangement where they pay what perhaps you could describe not as a market rent but an economic rent and that completes the circle. That is what we are working to, that is what we have put before this hon. Court in debating the earlier reports. If there is any element of that which is wrong, then I am sure that this hon. Court will tell us it is wrong and we will be told to go and change it, but as far as I am concerned, that framework is right. We can tweak it, we can fill in the gap which is there but basically that range of policies, that policy framework, is working and I believe is basically adequate.

Now, again, we have had questions about some of the particular problems with first-time buyers and I think it would be an opportunity for me now to just try to get some realism into this first-time buyer business. Hon. members are aware that we are developing of course first-time buyer houses at Springfield/Harcroft for those that come within this £18,000 to £22,000 approved income, and I think there are approaching 60 units, broadly speaking, in that development and the first batch of those will be ready by the end of May.

Now, we had an expression of interest register, well publicised in respect of Springfield/Harcroft and 316 people had themselves registered on that register. We sent an individual letter out to each one of them, top price for the houses £79,000, not £85,000, £79,000 top price, and we got 33 responses. (*Mr Karran interjecting*) Well, I think we want some relationship to a factual situation and not the hot air and rhetoric. This is factual. Here is a development, a development where houses are on sale with grant assistance at £79,000 and we got 33 responses out of 316 letters.

Now, we then did an Island-wide advert to try to see if we could get more onto this register, expression of interest, and we did in fact find Island-wide, not relevant to Douglas in particular at all, another 255 applications Island-wide and by our cross-referencing to the people that we have got we work out that we have probably got about 300 actual firm requests for first-time buyer units.

Now, we can cover that in the first two and a half years of our programme which I am about to turn to now, but it does irritate me when I get people standing up here without one factual item saying, 'We need 700.' In one particular contribution, which I have got the *Hansard* for here, the statement was made, 'We want 700 of these units in Douglas now.' Well, why have we got 33 responses out of 316 applications? At £79,000 and the £79,000 allows for grant assistance on top of that, so we are talking about a significant reduction of the £79,000, and one thing for sure is this, that if we cannot get takers at £79,000 and subject to a deduction for the grant assistance, what chance have we got to produce houses under the scheme that is being proposed elsewhere by the hon. member for Onchan where he is going to tie them down in terms of the conveyancing? He will not get a taker at all. If they will not take these at this price, what is it going to take with all the constraints that he is applying for the concept that he is floating?

**Mr Karran:** But why are you so scared of it then?

**Mr Quine:** I am not scared of it, it is just stupid and that is why I will not support it.

**Mr Karran:** You are scared of it. You will not support it.

**Mr Quine:** Mr President, not enough being done, we are told. Well, I suppose it is election year: we can expect this. But the serious point is there is an exceptional demand for housing, I am not disputing that. We all know as we go around that there are people wanting homes, and that is not in dispute, but I think the first thing we have to look at is the totality of the building programme, whether we are making sufficient inroads in terms of the totality of the building programme, accepting as I hope you do, as I accept, that if you have got a thousand new people coming in here, a net increase of a thousand a year, you are going to have a long time to catch up with that, but if you look at the totality of the programme, are we heading in the right direction? Well, the position is, of course, we had over 400 houses built last year and this year the estimate is that we will be in excess of 600 houses. Now, I think that is a very sizeable step in the right direction.

Now, in terms of what we are doing for what you might term broadly social housing, and by that I of course mean government-assisted housing and public housing and so on, in the year 2001-2002 there are 136 houses scheduled to be available. That is 128 by us and at least eight from the private sector. There will probably be more from the private sector but we know of at least eight which the private sector are producing, and on top of that, of course, we have got in this year, 2001-2002, elderly in the order of 60 and then general housing units in the order of 19 because of course the elderly vacate houses for the families, and on top of that we will be producing 32 replacement houses. I think that is a pretty energetic housing programme, and then next year, 2002-2003, we are in the same order: over a hundred, first-time buyer's are going to come on stream, elderly - another 68, and the general housing unit which will be in the order of about 70 in total and then another 24 replacement units, and that is just taking the first two years of the programme.

Taking in the five years, we are going to be producing, as we were asked to produce, as was endorsed by this hon. Court, over 400 first-time buyer units, on sale at this suppressed price, over 400 of those, we are going to be producing 250 elderly persons housing units with the knock-on effect in the sense that a large number of those will release family units, we are going to produce general housing units of another 77 and 146 replacement units and that is just in the social programme.

Mr Lowey said we are not doing enough. Well, he is right in the sense that what we are doing will not meet the immediate demand, it will not even meet the short-term demand. I agree with him on that, but that is not of our making, that is driven by considerations outside of housing. But what we are doing is we are doing an exceptional amount of work and reacting to it in an

exceptional fashion in order to provide the fastest possible solution to the problem. I can promise you no more than that, my staff can promise you no more than that.

In terms of Mr Henderson's request, that really does not create any problem for me. As far as I am concerned, if people are happy with reports and pieces of paper, let them go to bed with them as far as I am concerned, they can have all the reports they want. I will not be spending any time on them, I can assure you. Other people can do them and I hope it meets their requirements.

But there is just one thing I would mention, and I think it was a perfectly legitimate question by Mr Henderson, and that is are we satisfied with the range of financial support schemes available to the public to help them purchase homes, does this grant system represent a proper solution to the needs of today? I say without contradiction that it does because as recently as June 1999 there was a study done in the department and we looked at a whole range of financial assistance schemes that culminated in a paper that went to the Council of Ministers in June 1999 and we reviewed a long list of different options and variations of those options. We went from grant assistance above affordable repayments, which is essentially the one that we are working with now, we looked at shared equity, we looked at interest support payments, low-interest mortgages, grant assistance to developers to discount property values, and we are using that to a certain extent now, provision of low-cost first-time buyer units by government and we are using part of that now. We had an exhaustive look, certainly looking outwards to what was being done elsewhere, we had a look at Jersey and all sorts of other places that were relevant, parts of the UK, Birmingham and places, to see if there was something on offer, if there was something that had been devised and used there which was better than what we have got or perhaps more suited to our requirements, that was looked at by the department, looked at in detail by the Council of Ministers and we have come up with the scheme which we have got and the fact is this scheme is working. In 15 months we have managed now, we are up to a hundred cases and that would represent more than what we had under the previous five years under the mortgage scheme which was a trap for most people who entered into that scheme because of course they entered into it at year 1, year 5 when the concessionary rate dropped out they had families, they had additional costs and they could not sustain it.

So we have looked at this, we have done that exercise and my hon. friend, I am happy to let him have these papers and if he has any further ideas I am sure in this paper-chase which he is enthusiastic about we can lead it in and I can have it all regurgitated as he wishes.

The motion creates no problem as far as I am concerned. The amendment to the motion has been endorsed by Mr Henderson and I am pleased about that. It is not materially different anyway, so I do not think it is going to create any heartburn for anybody. We can live with that. If more reports are wanted, they can have the reports, but what I would look for more than periodic six-month visitations by way of a paper exercise, I would appreciate some positive support, I would appreciate people in this hon. Court, a number of them putting their heads above the parapet and saying to their constituents, 'No, I'm sorry, I can't back you in opposing this development, I can't do it because the housing need is here, people in this constituency need the housing and I'm going to support DoLGE in getting this housing through, I'm going to support the local authority in getting this housing through', and when we get a change of attitude from this Court that will filter down to local authorities and other places, then we may make even more progress than we are making now, but hypocritical stances of saying, 'Yes, I want more housing but not in my area' or 'Yes, I want more housing but not now, wait until after the general election' that has been said to me too, that has been said to me as well - that is not what I am in this business for. I know what I have got to do, produce the most houses in the shortest possible time, and I will do that and if that ruffles a few feathers, it does not worry me.

**The President:** The hon. member for Council, Mr Waft.

**Mr Waft:** Thank you, Mr President. I was just looking at one of these. I would just like to say I do support the amendment and the motion and would congratulate the department on the work that they have done in this area since it has been highlighted by various members. There has been a tremendous amount of work done and nonetheless by the people who compiled the housing report.

I would just perhaps like to refer you to this report, the Digest of Economic and Social Statistics 2001. Now, some civil servant has gone to a lot of trouble to compile this report you can find everything in here from the amount of scallops that were landed, the amount of schoolchildren were in school, the amount of pensioners, et cetera, et cetera, et cetera. Now, all I would say is that it is no good people going to great lengths to compile reports such as this if we as members do not take any notice of them. If they are just an academic exercise I am sure this group of people can be well served working in another area.

I would just look at the housing the dwellings completed in 1984. I think personally about public authority housing because that is my origin in the local authority area and I was certainly in the local authority in 1984 when we built one house, I was there in 1985 when we built one house, 1986 when we did not build any houses at all, 1987 when there were four, 1988 when there was none, 1989 when there was none and I had a queue of people outside the surgery every week to say, 'For God's sake can you help me? What can you do?' And all I could say was, 'They're not building any houses and that is the policy.' Whether there was no money there and whether the situation was different I could well understand that. But it does not need rocket science to understand that there was going to be a problem at the end of that time and there was a problem and it was addressed because the following year they built 88 and then 159, then they built 66, then they built 119, then they built 90, it was accommodated over that period of time, and all well and good, that is fine. And then we came to 1995 when there was none built, 1996 none built, 1997 there were five built, 1999 there were five built and then people started complaining about there is not enough public sector housing. Well, this is what these books are for, to give you some guidance as to we are heading for a problem, let us be thinking about this and perhaps trying to accommodate the problem in advance of it actually reaching a crisis period.

Now, I appreciate all the work the department is doing now and all well and good to them but really we should be taking more notice of what the civil servants are telling us when they compile their report. All they are doing is assembling all the information and we pay them to do that and it is used as a guide for telling us how many scallops are probably going to be landed next week, or how many pensions we are going to have to pay next year. If we do not use the information that is provided for us it is to our detriment and to the detriment of the people that we are here representing. So I would just like to mention that fact, that we take more notice of the reports and not just put them away or use them to our own advantage when it suits our situation. So that was really all I intended to say.

I just wondered with regard to the last speaker when he said there were only 33 possible takers out of 316. I think we really need to get behind that and see perhaps why was that? I know it was a year or so ago when we said the takers of the first-time buyers had suddenly gone right down, and, good enough, Treasury at the time said, 'Well, that is correct but let's have a look at this', and they did change the criteria at the time. So it might be a case of 'Look, why is this, what is happening here?'

**Mr Quine:** We know what it is.

**Mr Waft:** Yes, and perhaps we can address it.

With regard to the purchase of land by the department, I would ask the minister if he does, on the Thursday that he spends in the Council of Ministers, address that situation and say, 'Look, we have a problem in the purchase of land, we need to buy it quite quickly as a private developer does: if he sees an opportunity, he has got the money, he can go and purchase it there and then rather than have to wait a couple of months before that can be carried through as a government scheme.' So he needs to take that up on his own behalf and the department's behalf and try and do something about that, but he is in a better position than most of us here to do so.

I think that has covered the points I had to make, Mr President, thank you.

**The President:** Mr Speaker.

**The Speaker:** Mr President, referring to the comments of the hon. member for Ayre and the challenge that he put to members to put their head above the parapet, their shoulder to the wheel, et cetera, well not unusually for me I am, from time to time, known to put my head above the parapet and I say to the hon. gentleman the Jurby commissioners, the member of the House of Keys whose constituency Jurby is part of. There is a lot of government land that is crying out for development and housing and I urge the department to take advantage of this community out there that are urging redevelopment of that area. You have land of an old military camp site, I know that you have got a plot for self-build houses but, minister, it is taking a long time to progress, the wheels of government grind exceptionally slowly from time to time, and I urge you where you have got a community, and you have got a community writing in, the commissioners, the member for that area saying, 'Please, we want redevelopment in this area, rejuvenation', to bring up the community that has for a long time suffered on the margins of the Island's economy and prosperity and above that it will also be of benefit to the north of the Island and their local town which is Ramsey.

**The President:** The hon. member for Rushen, Sir Miles Walker.

**Sir Miles Walker:** Thank you, Mr President. Housing debates are always interesting and they are important and I think it is right that this hon. Court reflects the concerns that are expressed to us as individuals, and this debate has been interesting, it has been a good debate and I think a useful debate and I applaud what the department are doing, I think they are doing well and they have got a lot of houses on the way, but it seems to me that we will always have a problem as long as we are relying solely on the department to solve the problem that we have or it is perceived we have, and there is private enterprise out there and there are construction firms out there and there are other people who ought to be, in my view, developing what the market is demanding and it seems to me that in some way they are being stifled and I am not suggesting that is on purpose.

I was also interested to hear the hon. member Mr Quine when he was making his contribution a few moments ago to be saying, 'Well, it's not my fault, I'm doing everything I'm asked but the problem is somebody else's.'

**Mr Karran:** It is everybody else.

**Sir Miles Walker:** It is mine and the Treasury's probably for the economic development and success of the Island, the Chief Minister's for not putting on some residence controls, all of us as individual members for not going in and saying our bit about the local plans. It always seems to be somebody else making the problems and I do not believe that is in fact the case.

We do have a problem out there, I think it is a good problem, I think it is a problem associated with success and it seems to me it is a problem that between us we should be able to solve (**Mr Cannell:** Hear, hear.) without blaming each other. I really do believe that this Isle of Man is going through a wonderful period of development. I think we have got the resources to spend

on the infrastructure that our people, not are wanting, deserve. Why shouldn't they have the best of provision? And we are now getting this Island, for the first time ever, into a situation where we can provide that level of service. I think it is wonderful, I make no excuses for it at all, I think it is good and it has its pinchpoints and I am sorry for those people who are caught facing some sort of personal difficulties. Heaven forbid to go back to the 1980s, and the hon. member Mr Waft reeled off some figures about housing, 1981, 1982 and 1983 - absolutely right, no local authority houses built, but do we know why? I can tell you why - the population was falling, the demand was falling and by the time 1985 and 1986 came along there were 2,000 empty houses, not houses for sale, empty houses which were for sale, plus the others that were occupied and for sale, and against that background he is absolutely right, no new local authority houses were built, but what was happening to the resources? What resources were available were being invested in our existing housing stock and there was a tremendous improvement over those half-dozen years the hon. member mentioned in the level of improvement within the stock. It was the first time that more than a very small amount of the rents had been invested in that housing stock to bring it up to something like a reasonable standard.

The development plans - the hon. member for Ayre, Mr Quine, said, well one of the problems was that during the early nineties there were no development plans brought forward. Well, if I am not mistaken, when successive development plans have come forward there has been a reduction in the amount of developable land overall.

**Mr Quine:** That is not true.

**Sir Miles Walker:** It was true in the case of Onchan, I believe it was true in the case of Foxdale -

**Mr Gilbey:** No, it was substitution.

**Sir Miles Walker:** Substitution for 18 houses or something in Foxdale, I remember, a very modest amount anyway, and our corridor plan, which is the one I was interested in and it did go to a public inquiry in the south of the Island, a very modest amount of development, and the land that was allowed for the development was not for an intensive type or low-cost development. There are conditions put on for certain acreages of land that they shall not build more than so many dwellings, which leads us into the larger more costly properties -

**Mr Cannell:** Three hundred down to 70.

**Sir Miles Walker:** - and there is obviously the demand for them because they are selling, but I do not believe that that is where the priority ought to be.

Now, Mr President, we have done things which have pushed up the cost of housing and maybe they were right, but I rather doubt it. When Governor's Hill development came to an end there was a clear statement that we were going to try and reduce the amount of greenfield development and that met, I think, with general support from this hon. Court, but what did it mean? It meant more brownfield development, which is more expensive, and so the cost went up. Now, if that had not happened I have no doubt that some of the redevelopment on Douglas promenade would not have happened and that would have been a shame because I think it is development that is well based and well sited, but what it has done is pushed up the overall price of property on the Island and it needs some balancer of greenfield development, cheaper sort of development, in order to keep the prices down, the lid on the prices, and I have a concern that there is just not enough land being allocated, and I am one of those who will stick my head above the pavement and have done in saying that I believe, my view is this is right for the community, accepting that some individuals in their view will think it is wrong, and they have their opportunity once every five

years to decide whether or not my general views are right or whether they should vote for somebody else, and that is fine by me.

The people that will oppose development are people who are there now. The people whose views and voices we have to represent as well as theirs are the people that are coming up, coming into the housing market who are not in a position to make their case, if they are 16 or 17 and we know they will need houses when they are 25 or 26 or whatever it will be, and we have a responsibility to look after their futures, not just the position of the people that we have at the moment. So I think the development plans, because they are so 'democratic', carry with them a problem in that you do not get the balancing arguments, and the more the Planning Committee act as referees trying to balance these different views the less the amount of land that is going to get into that development plan for development and I think the Planning Committee have got to be able to stand back from those views and say, 'We believe that this development is right' or 'This is wrong and we hear what you say.' Once they try and meet the views of the people who are there at the moment, then I believe we are sliding backwards.

I also think we have made a problem for ourselves with these development plans because they are too rigid. We have moved the flexibility out of our development plans and that flexibility, I would suggest, was very, very useful, it was useful to the planners, it was useful to the developers and it was useful for the individuals, and we have removed that and we have said, 'If you're over the hedge and you're not in the development plan you can't do anything with that until we've reviewed that development plan in five or 10 years.'

**Mr Quine:** That is not true.

**Sir Miles Walker:** Well, the hon. member says it is not true. There are very few examples, I think, of land that is outside the development plan that is given permission -

**Mr Delaney:** Give us one.

**Sir Miles Walker:** - and I could take the hon. member to a patch down in our area of land where I believe the opposition would be very little, but it was not within the development plan and the view is, 'Well, the development plan is quite new and it would be wrong to step outside it at this stage. In five years' time perhaps when we are reviewing the development plan we'll look at it', and I have to say that sort of rigid approach, I believe, has led us in to some sort of the problems that we are facing today. (**A Member:** Hear, hear)

I would repeat what I said at the beginning. I applaud what the department are doing, I believe they are bringing a lot of houses on, I think they understand the problem, but as long as we are relying on the department alone to solve this problem I believe the problem will not go away and somehow we need to bring more private enterprise into this situation.

**The President:** The hon. member for Garff.

**Mr Rodan:** Thank you, Mr President. First of all I want to make it very clear that I am signed up totally to Tynwald policy to address the needs, the severe needs, of people who find themselves without affordable housing, nationally and in the constituency which I have the privilege to represent, and I have plenty of people writing to me and phoning me about the lack of affordable housing in my area, first-time buyers, affordable housing to rent, sheltered housing and, when we go into the parish areas, the inability of local people to find housing anywhere in their own parish where they were brought up, anywhere possible to get planning permission to build a house of their own and therefore I welcome the energy that has gone into the Department of Local Government's addressing of this problem. However, what I am not signed up to is a headlong rush into inappropriate development, into overintensive development, into development that is the ruination of the countryside, the ruination of greenfield areas, development at any price that would

have us tear up development plans, it would appear, when the reason we have a forward planning process, supposedly, is to get right development in the appropriate places, and what I am certainly not signed up to are deals with developers that would have us shoehorning highly dense developments into areas zoned for low or medium-density development, and I have got this in my own backyard at the moment to contend with, and this is my opportunity to put my head above the parapet and to say that I am not interested in representing those people who say no to development in their backyard: 'We are happy, thank you very much, we're not interested in anyone else's housing needs.' But those people are very much a minority. The majority of people are reasonable and what they tell me is they want to see a housing policy as far as their area is concerned that acknowledges local need, which has been identified as first-time buyer's and housing for the elderly, but on a scale that bears some relationship to local need and that is reasonable and that bears some relationship to existing and indeed emerging planning policy, up-to-date planning policy, but above all bears some relationship to the infrastructure and the ability of the area to absorb development, and what they do not want are high-density schemes which are going to result in overloading of the infrastructure. What they say is, let us get the infrastructure right first.' There has been no mention of that this afternoon.

What they want are roads, particularly in rural areas, that can cope with the additional traffic. In the areas of development they want recreation areas where youngsters can play. They want areas where they can park vehicles without spilling onto the streets, either their own or adjacent. What they want is a drainage system that will cope with the sewage, and I am sorry to say that when I came into this place it was the position that Garff was going to be the last part of the Island to be connected up to IRIS and it remains to be the last part of the Island, so we are talking - I do not know - 10, 15 years, still that sort of scale and people that I represent are sick and tired of having two bays at Garwick and Laxey Bay and at Maughold also with sewage on the beach and polluted watercourses and the Laxey River used as a foul sewage overflow, which I am delighted that the Department of Transport are addressing in this current financial year. I am delighted with the work that is taking place there, but the rest of the story is not so happy.

We have got a primary school that we have just had a multimillion project of spending on to ensure that it is now within capacity. What people do not want, quite reasonably, is that school again overstretched, bursting at the seams. What they do not want is further pressure on the water supplies. Of all the parts of the Island you only need to pick up the Water Authority's report. It is Lonan and Maughold and Laxey where all the complaints are coming about inadequate pressure, about water quality and about interruption to supply.

Now, this is what people are telling me. They are not saying, 'No, we don't want development', they recognise an element of development is necessary, but they say it must end local need and not cater disproportionately for the needs of Island, given the infrastructure situation that we have currently.

So I want to put those matters down because it is very easy to presume that unless you are signed up for development almost at any price and at whatever density and whatever number and whether it be in the outskirts of Douglas, shoehorning all this development into a small space that gets the numbers of units maybe to match target figures, but what it does not mean necessarily is a decent living environment for the longer term and my concern is to get that right and to pay and to get the forward planning right, to get that right. This is why we have forward planning policies and it is no use Sir Miles saying, right, development plans should be flexible, but if we have just spent time in passing it, for heaven's sake give it a chance to work and get it right in the first place, but they are there for a very good reason.

So I would ask the department to bear these things in mind when working up the housing policy, particularly when you are looking outside the urban areas and looking at areas which have a very fragile infrastructure with nothing or a minimum having been spent in past years on roads, sewers and water supplies, work being spent now at last, but get that right first before you contemplate overintensive development in green field sites.

**The President:** Hon. member for Castletown, Mr Brown.

**Mr Brown:** Yes, thank you, Mr President. Since I have been a member of this hon. Court one of my major priorities has always been the provision of housing, whether that be public housing, first-time buyer housing or just making opportunities available for those who need to have housing and within that we always have the contradiction, as was explained before, about those who have got a house who do not want anybody else to build near them because they do not want their view spoilt, and we as politicians, and especially those who have been involved with planning, have to make decisions that sometimes are unpopular but nevertheless are right and it is that that we need to very much focus on.

At the end of the day, whatever we may want to do, the one thing I learnt when I was Minister for Local Government and the Environment from 1989 through to 1994 is you can do nothing if you have not got land. If you have not got land, you might as well forget it because what you have to do is you have to buy it at peak prices when you need it and you end up in competition with the developers who are out there buying the land to some degree like the hon. member for Ayre said, without any shackles on them, they just write a cheque out, 'We'll have it', and if they know government is after it, they will get in their first, as has been demonstrated in my constituency recently, where government at last said, 'Yes, let's buy a parcel of land', and surprise, surprise, a developer was advised government was after the land and that developer got in there first and I wonder how they found out. Who knows? We can speculate. But it is not an unusual situation. Every time the DLG has gone after land recently, the developers have got there just before them.

Now, the problem with that, of course, is that the person who owns the most land for development are the developers, hence why the DLG have a problem now that when it wants to develop anything for us, i.e. the people, it has to go to the developer and say, 'Please, developer, can you help us because we haven't any land?', and taking the point I made in a previous debate, you need a two-year lead-in period. They have not much choice, but then of course who has got the real grip on what is going on? The developer, because the developer says, 'Well, that's fine, but this is what I want', and that is where we have got ourselves into a real big problem because the developer then puts pressure on because he has got the government where he wants them. He knows they are desperate and therefore when somebody is desperate, you usually get what you want, and that is the problem we have got and I have to say it is to the great detriment of this Island that we are in this position and I will come back to that later.

I agree with much of what the hon. member for Ayre said, not all of it, but much of it because much of it is what we know is the problem and at the end of the day it is all right for us in here. We are all sitting back saying, 'Well, yes, we need it, we need housing, we want to do something', and when people come to us we try and help them, and that is about where it is really because we say, 'Well, we're trying to do it, we have reports, we're trying to build and we're trying to do this, that and the other', but at the end of the day those same people are struggling because we have stagnation in the housing market. One of the biggest problems we have is people who are stuck - and I use that term very carefully - in public sector houses who want to get out and cannot get out, and because they cannot get out the ones who need them cannot get in and because we are not building more houses for them the whole thing is just stuck, it is just blocked, and time and time again, certainly in my constituency where we have had quite a unique problem of no real housing

provided, apart from a small development that government itself initiated and undertook, we have had a problem for 20 years and what happens is nothing happens and we have got people stuck, they cannot get into the housing system and we have got people who are overcrowded and so on and so it goes on.

Now, the problem we have, and it was touched on, is partly - and only partly because it is not a major factor - in relation to the local plans. Now, the hon. member for Ayre mentioned about the problem of there had been none for a period of time, but I think for the record we need to be clear why there had been none, because government was challenged by a developer for changing a plan, Tynwald Court was challenged, and in 1991 or thereabouts a case went to court and the then Attorney-General advised government quite clearly, 'You cannot take any more development plans to Tynwald until that court case is out of the way', because the person was claiming compensation for land being taken out of the plan, and that court case did not complete until 1997 and it was only when that court case finished and government won its case, if I use that term, that said, yes, it could take land out as long as the procedures were followed, which they were, then we could start to work these plans through the system again. But that did not stop us buying land in the right place, it did not stop us building.

The problem we had was the 1995 problem and the 1995 problem was quite straightforward. The then Minister for Local Government and the Environment stopped all house building. He decided, 'We're not doing any more.' Now, we can all speculate why he decided that. I think we all know why he decided that, but the point is he did it and if you look at the figures the hon. member for Council announced, 1995 no houses, 1996 no houses, 1997 five houses, yet prior to that 1994 90, 1993 119, 1992 66, 1991 159, suddenly no houses, and I know because I have spoken to officers in the DLG who said, 'A quite clear instruction: 'We're not building any more houses, that's a matter for the market.' And of course what happened was it fed through the system and now because of that decision we ended up in a position where there was no building of houses and it has all caught up on us yet again. It caught up on us, as the hon. member for Council said, in the late eighties.

In 1991 I presented a report to Tynwald Court, a housing policy report; about that thick it is. It is still Tynwald's policy and in that we made it very clear: you cannot, in housing, start and stop, you cannot start and stop. Life does not start and stop, why should housing? What you have to do is have a flexible housing programme which you are able to adjust to meet the demand you see coming, taking the point the hon. member for Council, Mr Waft, said before. You can see the trend and you divert your resources to meet that trend. You build public sector when you need to and you say how many you need to build to meet the demand that is coming up. You build sheltered accommodation to ease the other areas. You build private, you build whatever. That is what you do and you maintain, and the problem we have with the way we have this up-and-down policy is that at a time when we are having to now push all our resources into this demand, the department is having a problem even to maintain their properties and bring them up to standard. In my area my constituents in Janet's Corner say, 'When are we going to get our houses modernised?' They were built in 1948. They have had new windows which were single-glazed unfortunately, because at that time double-glazed was a new thing and we could not put that in, and what is happening? We have children going off school with colds all the time, regularly off school because the houses are cold, they are too cold, there is condensation in them and so on and so on.

Now, I know the minister and his department are actively progressing a plan for there but the problem they have got is then feeding that into the system whilst the demand and pressure on them is to build, build, build and this is the problem, we get ourselves into a mess, and you have got to keep an eye on the whole of the picture and develop that picture and move with it as you can see it developing, not sit back and wait for the demand to overtake you, that you end up with

political pressure which says to everybody, 'Get these houses built now because we need them now', because you cannot have them now, it is impossible, because it takes you too long to get planning permission, it takes you too long to get land, it takes you too long to build them and by the time you have done all that the problem may have gone away or it could be 10 times worse and it is because you are not consistent with your policy and unless you get consistency in your policy, the whole thing becomes a mess and that is where, unfortunately, for decisions that were made, we have ended up struggling and I have to say that three years ago, four years ago some of us were saying this very thing, that we are heading for a problem, because we all have constituents who come to us and you see the pattern build up. You have suddenly got more and more coming in and saying, 'I'm not getting housed. The local authority is telling me it'll be 18 months, two years and, oh, by the way, I can't get a mortgage because the house prices are being pushed up because people are coming in.' So we see the picture develop. The trouble is we are not able to react quickly enough because we have had this stop-start policy where some people have made certain decisions.

The hon. member for Rushen, Sir Miles, said that he was concerned about the development plans and he also made the point about the good old days of flexibility, but the good old days of flexibility were not good old days because people hated them, because we ended up with what you have got in Onchan, Birch Hill, and you ended up with what you have got elsewhere in the Island: just build anywhere, it did not matter. The development plan is there to protect the Island and the people of the Island, but there is flexibility, but that flexibility demands the Planning Committee being brave, because the flexibility is with them and no-one else because they can step outside the development plan policy as long as they have considered it and consciously considered what that policy says, what the local plan says, but then say, 'Ah, but we believe in this circumstance there is a case to do X.' Now, it can be challenged and it can be taken as far as the independent inspector and ultimately the minister to make a decision who might well pull it back into the plan, but there is flexibility there and the excuse that is used time and time again is, 'Ah, we can't do anything because the plan says this.' No, no: the plan is guidance. It is a statutory document, it lays down where the land is that is zoned and available for development and it designates what the land is, in other words medium or high or low density.

I have to say one thing and I have a concern. We do not have enough high density of the right scale to meet the demand for those people who are on limited resources, who we want to give opportunities for housing. We have too much of the medium and low density, because what happens then is that of course you get less houses on a large piece of land.

But I want to make one thing absolutely clear. From where I stand, no matter what my importance of my views on housing - and they are very strong - it is not housing at any cost. It has never been housing at any cost from me. It has got to be the right housing in the right place, designed properly to fit in with the area it is being built in and it has got to be at the right density. That is more important to me than anything and I have to say this Island will rue the day that future generations turn back and say, 'How on earth did they allow us to have developments of that scale in these areas?' Because they do not want it. People want the houses, those who want to get into the housing market, but they do want them to be done properly, they do want to have adequate space to live in, they do want appropriate properties and they want them in the right place, and it is an Island problem because I can tell you now that the people of Castletown want to live in Castletown, the people of Peel want to live in Peel, the people of Ramsey want to live in Ramsey and so on. They do not want to live in Douglas, they do not want to live in Onchan. They do not want to live in another part of the Island. They want to live where they have always lived because that is the nature of the people of the Isle of Man: 'This is where I come from.' I come from

Castletown. I have lived in Castletown all my life. I would never dream of moving out of Castletown.

**Mr Rimington:** Ah.

**Mr Brown:** I would never dream of it. The hon. member for Rushen goes, 'Ah', but it is the difference in our culture, because I live in Castletown and that is where I want to be -

**Mr Cretney:** He's got limestone in his blood!

**Mr Brown:** - and I am not alone on that, Mr President. I am not alone on that. There are lots of people who would never dream of moving out and lots of people who will not move out suffer until they get a chance to get a house in the area they want to stay in and when I say suffer, they suffer because of the rent they pay or they suffer because of overcrowding or whatever it may be, because at the end of day that is where they want to be and I think it is wonderful because what that means is, they want to remain part of their community. That is what is important.

The other thing is that as far as the development of housing is concerned we must ensure that when we are undertaking it government is in the stronger position. The problem we have, as I said before, is that government is in the weaker position and the only way we can get ourselves into a strong position is to look ahead and buy land for the future because if you do not do that you have got nothing and that is the important issue and if you can do that, that is fine.

Then you come to the next stage which the hon. member for Garff mentioned, which is of course your infrastructure because without your infrastructure you cannot do anything because nowadays if you try and do it, those who do not want the development will use the point that the infrastructure is not capable to argue their case to win it and the thing is they usually win it.

So the whole thing is a very complex issue and it is something that we cannot be complacent about and I am not saying we are now but what I am saying is we need to get a consistent policy. I believe the 1991 housing report that the DLGE presented to Tynwald, that was approved by Tynwald, in fact did that and I think the sad thing is that in 1995 it was put to one side and I do not know if it has been opened since, but a lot of the answers are in there and it was not just my report because it was actually started in the time when Mr Delaney was minister of the DLGE, he and his department. I think the hon. member for Glenfaba, Mr Gilbey was on it at the time. They did the bulk of the work. I came into the department and picked up the rest of it with my colleagues then and we actually put together what was, I believe, a very good document, but what it says in there is not outdated, what it says in there is as relevant today as it was in 1989, 1990 and 1991 when it was approved by Tynwald.

So I support the point that we have a debate now and then I support the amendment because the amendment to me, or the motion as written does not really make a difference because the thing is at the end of the day people do not want us just to talk about it, they want us to do something.

**Mr Gilbey:** Hear, hear.

**The President:** Hon. members, we have had a wide-ranging housing debate and can I invite the hon. member Mr Henderson to wind up as concisely as possible, please.

**Mr Henderson:** Thank you, Mr President. With the depth and breadth of the contributions I will try my very best with your instruction, sir.

The problem I have is knowing where to start, with yet another 10 pages of notes which I do not intend to read out (**Several Members:** Hear, hear.) and another amendment. There are one or two points I do need to touch on and I say that honestly: one or two points.

I do indeed thank all members for their contribution to what has led to becoming a robust and wide-ranging debate and I am pleased that all hon. members have recognised that there is a need - okay, it has taken a bit of time - to debate it and point out the issues as they see them.

I am especially pleased with one or two points which I will come to. I think I will come to the amendment in a minute.

What I want to do is just discuss the hon. member for Castletown's comments which I think are probably the most pertinent to the debate and he has hit the nail right on the head. I think the upshot of all Mr Brown's comments was the fact of a consistent policy in there driving something and the fact that we can do all sorts of talking and it is not going to make bricks and mortar come out of the ground, and that is very true, but the point is, I think, and the whole point of my motion this afternoon, to point at some sort of consistent, concise policy document, and whether the hon. member for Ayre likes it or not, if it has to have a couple of extra pages in, what I am after is that consistency which includes the elements, every element and appropriate element that should be required to produce a proper policy driven by the concerns from all parts of the industry, and when I initially saw this in my pigeonhole and saw some of the contents, that is what concerned me because I thought if the department are driving some sort of policy to meet the needs of this community how are they getting to these figures, how are they getting to the conclusions that they are? Because I could not see it, to me only a portion of information was there, and that is the whole point, we need to have the whole picture in there, and what I am asking for is an executive summary so that it can be placed before this Court from time to time, so it can be scrutinised and tested and, if needs be, for the department to be directed, and as the hon. member for Council, Mr Lowey, said, if it means keeping the pressure on or pushing in another direction, well so be it, that is what we are here for, and bricks and mortar will not come out of the ground if there is not a concise, consistent policy with all the appropriate elements to that in that business plan and ready for inspection at any time, and that is the top and bottom of it really and that is what I am after.

Unfortunately the hon. member for Ayre made mention of a paper exercise and all the rest of it and we can go to bed with whatever reports we like and 'I'm not having anything to do with it.' Well, the problem is with that, if you do not have a proper policy that has all the bits and pieces laid into it, all the elements of where we have been, where we are now, where we are going and how we are going to get there, then we are in trouble, and the hon. member for Castletown is quite right and that needs to be placed before this Court from time to time, properly and correctly in my opinion. So, there we are.

The other thing too that was alluded to was that my figures were inaccurate and I should be talking facts. Well, I thought I was. I have been in touch with the economic affairs department. I have been given the figures by some of the senior members. I am not throwing out scare tactic, ball park figures here. What you are getting is what I have collected from our own government departments and also from the private sector itself and from local authorities, because I have canvassed the lot. I have got a great file of stuff here and I have spent hours and hours and a long, long, long time overall over the past 12 months or whenever collecting it all. So it is not just a case of throwing it here and having a go, and I certainly do not expect that the department can suddenly throw up panic houses all over the place. That is not the object of the exercise at all. So, there we are.

I do not think there is much need to touch on all the hon. members because there were some good points made by everyone really, certainly from Sir Miles, Mr Rodan and certainly from Mr Waft who alluded to taking note of reports, and even the hon. member for Peel, Mrs Hannan, made some pertinent points about standards. If you are going to have standards and get it right, then it needs to be written down and recorded and presented properly in a consistent fashion, as

we have heard, and the only way to do that is the way forward that I have presented with my motion.

The hon. minister for the department, Mr Gilbey - I am grateful for his input. I am sorry, Mr Minister, that you did not like the tone of my debate but that is the desperate situation and the comments I am under from my constituents, but nonetheless I am grateful for the comments that you did make.

The amendment that has come forward from the department I am happy with. It says more or less the same thing that I was wanting and it ekes out the information and it makes for further presentations to this hon. Court.

So with that, the amendment from the local government department is good, I support it and I beg to move. Thank you, Mr President.

**The President:** Hon. members, the motion before us is at 34 on the order paper and to that we have the amendment as moved by the hon. Minister for Local Government and the Environment, Mr Gilbey. Those in favour of the amendment please say aye; against, no. The ayes have it. The ayes have it.

The motion as amended, hon. members. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

### **Supplementary Order Paper — April Sitting — Motion Carried**

**The President:** Now, hon. members, we have a supplementary order paper and I call on Mr Speaker, please.

**The Speaker:** Mr President, in terms of the supplementary order paper I move:

*That, under standing order 2.2(b), the following business be considered.*

**Mr Cretney:** I beg to second, sir.

**The President:** Agreed, hon. members?

**Members:** Agreed.

**The President:** I call then Mr Speaker to move item 2 on the supplementary order paper.

**The Speaker:** Item number 2 is the April sitting. I beg to move:

*That standing order 1.1 (1)(c) and standing order 1.4(b) be suspended to allow the April 2001 sitting of Tynwald to be held on 24th to 26th April 2001.*

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

**The President:** Hon. members, the motion before us is printed at 2 on the supplementary order paper. Will those in favour please say aye; against, no. The ayes have it. The ayes have it.

Hon. members, that concludes our business for this current month's sitting of Tynwald. The Council will now withdraw and leave the House of Keys to transact such business as Mr Speaker may place before you.

*The Council withdrew.*

### **House of Keys**

**The Speaker:** Hon. members, the House stands adjourned to a sitting in our own chamber on Tuesday next, 27th March, at 10 a.m. Thank you, hon. members.

*The House adjourned at 6.27 p.m.*