

**REPORT OF PROCEEDINGS OF  
THE HOUSE OF KEYS  
(LEGISLATION AND OTHER MATTERS)**

**Douglas, Thursday, 11th July 2002  
at 4 p.m.**

Present:

The Speaker (the Hon J A Brown) (Castletown); Mr D M Anderson (Glenfaba); Hon A R Bell and Mr L I Singer (Ramsey); Mr R E Quine OBE (Ayre); Mr J D Q Cannan (Michael); Mrs H Hannan (Peel); Hon S C Rodan (Garff); Mr P Karran, Hon R K Corkill and Mr A J Earnshaw (Onchan); Mr G M Quayle (Middle); Messrs J R Houghton and R W Henderson (Douglas North); Hon D C Cretney and Mr A C Duggan (Douglas South); Hon R P Braidwood and Mrs B J Cannell (Douglas East); Hon A F Downie and Hon J P Shimmin (Douglas West); Mr D J Gelling (Malew and Santon); Hon J Rimington, Mr Q B Gill and Hon Mrs P M Crowe (Rushen); with Mr M Cornwell-Kelly, Secretary of the House.

**Bills for First Reading**

**The Speaker:** Hon. members, we now have an order paper for the final sitting of the House before the recess. There is, of course, always a sitting of the House following the conclusion of Tynwald Court, and the order paper before us now carries a motion of which due notice has been given to the Secretary under standing orders. It also has two Bills for first reading, which the members concerned wished to have formally before the House in advance of the recess, and I have permitted this.

I now call upon the Secretary to announce the Bills for first reading.

**The Secretary:** Mr Speaker, the Bills for first reading are: the Anti Terrorism and Crime Bill, introduced by the hon. member for Douglas East, Mr Braidwood; and the Medicines Bill, introduced by the hon. member for Glenfaba, Mr Anderson.

**Mr Peter Karran MHK – Allegations re Island Studios Limited –  
Matter Referred to the Speaker for Consideration and Report**

**The Speaker:** The hon. member for Douglas West, Mr Downie, to move:

*That the allegations made by the hon. member for Onchan (Mr Karran) in the House on 25th June 2002 with regard to Island Studios Limited be referred to the Consultative Committee of the House to investigate and report whether in all the circumstances they were an abuse of privileges of a Member of the House, an abuse of the procedure of the House or a breach of standing orders, and to report.*

**The Speaker:** Now, hon. members, before I call upon the hon. member for Douglas West, Mr Downie, to move the motion standing in his name on the order paper, I must inform the House that I have received through the Secretary of the House a number of objections from the hon. member for Onchan, Mr Karran, to the effect that the motion in the name of Mr Downie should be struck out and not put, as in Mr Karran's opinion the motion is not in order.

I have discussed this with the Secretary of the House and given the letter from the hon. member for Onchan, Mr Karran, careful consideration, and I do not consider any of the objections to be well founded, but I will indicate what they are and what my reasons for rejecting them are.

First, it is stated that Standing Order 49(3) requires a member to be personally responsible for the accuracy of any statement made in a question and that *prima facie* proof of that may be required by Mr Speaker. It is further stated that the proper course of action is for the hon.

member moving this motion to ask me to require proof of the statements. Hon. members, it is certainly true that the course is there and can be followed, but it does not have to be. It is entirely optional, and it may be an inappropriate course when the question can effectively only be judged in its entirety after the supplementaries have been asked. It is a matter for my discretion whether I require the proof of a statement to be furnished or not. The availability of this course does not exclude any other course being taken, and since the accuracy of the statement in the question became an issue after the sitting had concluded, it is a matter for the House to consider now what is the most desirable course.

I will now mention the constitutional considerations I have given also, which bear upon the exercise of the Speaker's powers in this context, which to my mind are very important reasons why I should be cautious about disallowing questions or motions. The right of members to put down questions or motions is one which is of fundamental importance for effective parliamentary control and therefore to exercise effective parliamentary control is so essential a function of the House of Keys, and has been so over the centuries, that the Speaker's powers to control the proceedings in the House must be used so as not to defeat members' legitimate rights. If the Speaker began inhibiting the putting of questions or motions in all but the clearest cases where a breach of standing orders appears, members would rightly complain that they are being muzzled.

Secondly, hon. members, it is said that Standing Order 98 deems all imputations of improper motive to be disorderly and that the motion on the order paper before us imputes improper motives to the hon. member for Onchan and that it is therefore in breach of Standing Order 98. However, on checking *Hansard* it is clear that the hon. member for Onchan made an allegation when asking a supplementary question in relation to Island Studios Limited. What was said in the supplementary question may now be disputed, but a clear statement of fact was made as if it were true, and that is an allegation within the accepted legal meaning of the term. It is also clear from the wording of the motion that it contains no prejudgement and that it asks a strictly neutral question. It is true that the answer may go one way or the other, but I am satisfied that the motion itself makes no imputation.

Lastly, the objection is raised that the Standing Order 53(1) gives Mr Speaker power to decide whether a question is or is not admissible under standing orders and to disallow any question which is, in his opinion, an abuse of the right of questioning or calculated to obstruct or affect prejudicially the procedures of the House. That is quite right. Such a power certainly exists and may be exercised by the Speaker if appropriate but, hon. members, this objection against misses the point. It may or it may not in a particular case be appropriate to exercise this power and it can only be a matter for me to decide in the light of the circumstances. It is, in effect, only in the case of a question as it stands on the order paper that it is practical for me to say, before the matter becomes public, that the question should or should not be put. Once a matter has been raised on the floor of the House in public by way of a supplementary question there is relatively little use in exercising powers under Standing Order 53 - by then, so to speak, the horse has bolted. The power is there, but it will often only be effective to exercise it when the order paper is being prepared.

Hon. members, I have therefore concluded that there is no breach of standing orders in this motion and no impropriety in moving it. It is entirely a matter for the House whether it is carried or not and I express no opinion on it either way. I add only that the remit of the Consultative Committee under Standing Order 40(3) is, and I quote 'To consider and report upon any matter that may from time to time be referred to the committee by the House.' The motion in procedural terms is therefore in order.

I now call upon the hon. member for Douglas West, Mr Downie.

**Mr Downie:** Thank you, Mr Speaker and thank you for the benefit of your counsel in this matter thus far. Hon. members, while I fully support and defend any member's right to free speech and privilege within the confines of this House, we expect any statements made by hon. members in this House, particularly when they can cause severe harm to individuals or the credibility of jobs and businesses, to have some element of truth or accuracy about them. For some months, I believe the privilege enjoyed by members of this House has been the subject of abuse: allegations regarding the business school and someone having their fingers in the till; allegations of corruption involving members of this House in the Mount Murray development and from what I understand following evidence at the special inquiry, these have now been withdrawn only to be replaced by ones of maladministration.

**Mr Karran:** Vainstyr Loayreyder, I thought we had to be correct in this House. Will he report to tell us within the February sitting where I alleged corruption? It was in fact yourself at the thing that asked for the corruption. I would like the member to actually come to tell us -

**The Speaker:** Hon. member, you will be able to respond to the points raised by the hon. member in the debate. Member for West Douglas.

**Mr Downie:** We also had another incident when the fledgling e-commerce business, E-Habitant - there were questions raised there over insolvency, again within the privilege of this House, and in this House on 25th June 2002 during a question to the Chief Minister the following supplementary question was asked by Mr Karran: 'Vainstyr Loayreyder, a supplementary. Is the Chief Minister aware that the police were recently called out to the new film studio because of an altercation over a dishonoured cheque? Has the Chief Minister been advised by the Minister of Trade and Industry if the company building the film studio is insolvent? If he has, when was he told that was the case?' And the Speaker commented 'Hon. member, I would remind hon. members that Standing Order 49(3) requires members to make it clear that members are personally responsible for statements they make in this House and, if necessary, proof could be required.'

Now Erskine May, who we use as our guidelines in parliamentary procedure, particularly on rules of behaviour, is quite clear about misconduct of members or officers, or members deliberately misleading the House, and it says, 'The Commons or other parliaments may treat the making of a deliberately misleading statement as a contempt, as in 1963 the House resolved that in making a personal statement which contained words which he later admitted were not true, a former member had been guilty of grave contempt.'

There are numerous references to parliamentary procedure and matters that cover deliberately misleading the House, matters that cover frivolously, vexatiously or maliciously making false, scandalous allegations against a person, and so on and so forth.

Now, I believe that the hon. member for Onchan, Mr Karran, has been conducting himself in a manner inconsistent with the standards the House was entitled to expect. It is not for me or anyone else in this House to be the judge of that, and it is for this reason I wish to refer the comments made by him to the Consultative Committee to investigate and report. If successful in my attempt to refer this matter to the committee, I am also concerned about the vexatious or malicious allegations being broadcast live on Manx Radio and whether Manx Radio also have privilege in this matter. I have a legal definition which gives me great cause for concern about live radio when dealing with allegations of this nature, and I would like, if I am successful, to have this matter also considered by the committee.

Hon. members, I really have nothing further to say. This is not a personal vendetta (*Laughter*) against the hon. member. I believe that a lot of damage is being done and has been done by some of these remarks. We have heard a lot from the member; we have yet to see any evidence. Now, this committee, as far as I am concerned, would be completely neutral and I

would be bound, as would the hon. member for Onchan, to abide by the findings of this particular committee. The committee may well find that there has been no breach of privilege and Mr Karran is perfectly right and he can continue as he has been doing in the past. I have no axe to grind, I just want to get this matter dealt with and the committee I feel are the right people to deal with it. Thank you, Mr Speaker, I beg to move.

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

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

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

**Mr Karran:** Vainstyr Loayreyder, I would hope that hon. members will get a copy again of my input into the February debate as far as Mount Murray is concerned, and read it again. I think once again we are having the tactics of a misrepresentation, and this here today is just another attempt at trying to make sure that the parliamentary rôle is being gagged as far as this House is concerned. I think it is a disgraceful situation that he is trying to make out that I am on about an e-commerce company being insolvent. The issue with the e-commerce company was the fact that we gave a £1 million debenture and we did not know who we had given the £1 million debenture for, and I do hope that the hon. mover will withdraw both his statements as far as this is concerned. I have a tradition as far as being Manx is concerned. I have always believed those who hide behind the law as far as this is concerned generally have something to hide from and I find it is generally the way it is.

As far as the rest of his statement, I was quite happy to have come to you within the next sitting, which was in October, but that opportunity has been lost. I move this amendment because, hon. members, the present fashion by the Chief Minister and the executive is to promote a policy to shoot the messenger. If questions are asked and they are not to the liking of the Chief Minister . . . and to be fair it is on record as to him saying that some questions he does not mind, but there are kinds he dislikes, and the ones he does not agree with he says are destabilising the Island. Hon. members, let us remember that this Chief Minister is on public record as describing a local residents' association as subversive. In fact, it would appear that anyone who disagrees with or even questions the Chief Minister is pursuing a hidden agenda.

Is this democracy? Hon. members, is this open government? The last Minister of the Department of Trade and Industry is on public record as saying that the Department of Trade and Industry is in the business of taking risks. I beg to qualify that statement: it should not be in the business of taking risks which have not carefully been assessed. In every case there is a risk to public money. Yes, hon. members, it is the people who provide the money for the minister's grand spending plans, and when ministers decide to spend just under three-quarters of a million pounds on one project it is not unreasonable to ask if the public is getting value for money for its cash. In fact, value for money is one of the reasons why we have a Standing Committee on Expenditure and Public Accounts. The public has straightforward questions that need straightforward answers and I would suggest that is why you should support my amendment.

I am more than happy to provide evidence for every statement I have made, however much this embarrasses the executive. I believe that the standing orders of the Keys show that Mr Downie's motion in its current form is disorderly. Mr Downie's motion is an abuse of the due process of this hon. House and I contend no member of this hon. House who believes in our long and honourable tradition of parliamentary due process can vote for Mr Downie's motion. I know, Mr Speaker, obviously you have the final say. I am talking as an individual member of this hon. House.

Hon. members, standing orders define the question as any Bill, motion, amendment and any matter brought before this House. Therefore the rules governing the tabling of questions are

the same rules which apply to Mr Downie's motion. Standing Order 98 states that the imputations of improper motives of any personal reflections on a member shall be deemed disorderly. I put it to this House that Mr Downie's motion is one long imputation. In fact, the motion starts with allegations, which is an imputation. To find Mr Downie's personal opinion presented to this hon. House as a substantial motion, in my opinion as a member of this hon. House, is a shocking breach of Standing Order 98.

**The Speaker:** Hon. member, before you carry on, if you could just sit down, please? I would not like you to ignore the statement I made at the beginning of the session. I think I made it absolutely clear and, as hon. members will understand, my ruling on that issue is final.

**Mr Karran:** Vainstyr Loayreyder, I understand that and I recognise that. I am just saying what I think. I do not have to remind this House that it is the right of any member to make statements within a question. It is not the purpose of my motion to try and censure the member or blacken their name. Standing Order 49(3) states that if a member's question contains a statement, the Speaker may ask the member to provide *prima facie* proof of the statement - Mr Downie is not the Speaker of this House. Standing orders are quite clear as to the correct procedure for dealing with this issue. Mr Downie's motion usurps all due process. This motion is, in my opinion, an insult to the traditions of this hon. House and fails to recognise, in my opinion, the authority of the Speaker. Quite apart from the legalities of standing orders, Mr Downie's motion refers to the Island Studios Limited.

Hon. members, if you look at *Hansard* for the 25th you will note that at no point did I mention this company. Mr Downie's motion is the first mention of this company. (Interjection by Mr Downie) Mr Downie's motion is out of order. It is one thing to shoot the messenger; it is quite another matter to put words into the messenger's mouth.

**Mr Bell:** No need to do that - someone else is doing it first.

**Mr Karran:** The amendment I have moved today should answer straightforward questions regarding a major and expensive project involving three-quarters of a million pounds worth of taxpayers' money. The ministers past and present might think it is an unimportant matter in which the manner a company involved in the film studio project is managed, but with so much public money at stake I believe the taxpayers have a right to know. Questions need to be answered and the solution is in the outline of my amendment.

Hon. members, let us look briefly at the exchange of two letters regarding this project, one from the director of the company that had made the planning application for this film studio, and it is to a Mr David Humphrey of the planning department. The letter is 16th October 2001. The director talks about a stop notice that has been imposed by Mr Steve Olsen, the department's Enforcement Officer. The letter states that this is because of apparent swing-around of the new building by 180 degrees. Mr Humphrey wrote back on 17th October informing the director that he had omitted the fact and stated that because of the change there was a requirement for a new planning application. Was there a new planning application? Hon. members, how is it possible to begin to build such a large construction only to find out it has necessarily been swung around by 180 degrees? It has not only been swung, but no-one seems to have remembered to inform the planning department that the building was about to be swung.

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

**Mrs Crowe:** Point of order, Mr Speaker. The speaker at the present time is clearly referring to letters from a member of my department whilst he was in the department. I have no knowledge of these letters being requested by the hon. member, nor has any member got these letters before them. Is it pertinent that letters can be read that were from a planning officer in my department at the time, and how has the speaker acquired these letters?

**The Speaker:** If the hon. member can sit down, please? Hon. members, if a member has information available to them, the source of where they got it is a matter for that member and, if it impinges on another party, then it is a matter for them if they wish to investigate, but it is not a matter for the House. Hon. member, continue.

**Mr Karran:** Vainstyr Loayreyder, you will find that those letters were, unless it has recently changed, there for anybody to see within her office and I have never been a member of her department as far as the department -

**The Speaker:** Hon. member, I would ask you to address members, when you are speaking to them, within the line of standing orders, please.

**Mr Karran:** Certainly, sir. I was just clarifying the points.

**The Speaker:** I appreciate that, but it is 'the hon. member for Rushen'.

**Mr Karran:** The hon. member for Rushen - I have not been a member of her department in DLGE and I have never been a member of the DLGE, but the issue is the letters are there that the public can see, and I am sure if she rang up she could get a copy of them now.

Another question: what about the number of animators employed at Lough House Animation Company? How many of them have been fully paid? How many of these trainees have been supported by training grants from the DTI? Have the DTI's rules been breached? Are the trainees being used on commercial productions? This situation is not allowed under the terms of funding. Is the Treasury minister and this is a question, Vainstyr Loayreyder, hon. members, not an allegation - aware if his department is now the trustee of a building site, a site that has come into his department due to the company that owned it being struck off? Does he know about it? If it would be of any assistance to him, the company is called Stonegate Properties Limited. Another question is, in what way is this company involved with the film studio site?

Hon. members, another interesting question is, why would the directors let this company be struck off? Knowing of hon. members' concern, I know they understand beyond any doubt that it is not so much what you do, it is the way that you do it, and that has the consequences. As I have recently been assured by the Chief Minister and the Treasury minister, what is done and how it is done are important to both of them, I invite them to support my amendment today. Let us all see the full facts concerning the film studio project. When they are established by the Standing Committee on Expenditure and Public Accounts and before we have some sort of nonsense in here, I understand that I would be debarred from any due process of that - I mean, before I get blackened on that front - only then can we, each of us in this hon. House, decide for ourselves whether or not the decision to fund this project was appropriate. Was this project based on sound assessment of the facts available and prudent use of taxpayers' money? Can we expect some return on this investment, or is this project another example of vanity over sanity with the taxpayers picking up the tab?

Hon. members, it is my opinion that Mr Downie's motion is nothing more than a device - device that has been invented to intimidate and subvert the proper function of this House. I ask hon. members not to let this device sidetrack the parliament's right to examine. I assure this hon. House that I am not intimidated and I must say, Vainstyr Loayreyder, I would have been more than happy if you would have asked me to substantiate these claims at the next sitting of the House. I would have been more than happy to have either substantiated them or apologised to this House, but this is a disgraceful day, in my opinion, and I hope hon. members will support my amendment and, if the executive has nothing to hide, then it has to support my amendment as far as this is concerned, but if it does not support my amendment then I think people outside this House will say there is something to hide.

Vainstyr Loayreyder, I beg to move and I hope someone will second me as far as this issue is concerned. I would just want to clarify one point: Mr Downie is the only one that has mentioned this company, and this company has several companies within its operation. I hope hon. members will support the amendment; if you believe in transparency and open government then support the amendment that I have put in front of you and we will see who is right and who is wrong. I beg to move:

*Delete from 'That the allegations ... and to report' and insert -*

*'That the full circumstances surrounding the various applications for public funding by the Lough House group of companies (and companies controlled by the promoters of the Lough House Group) be investigated by the Standing Committee on Expenditure and Public Accounts with particular regard to the accuracy and veracity of the statements and information contained within all such applications that have been provided by the directors or on their behalf; and that the said Committee also examine the financing, valuation and accounting methods used by the Directors of the companies within the Lough House group of companies (and companies controlled by the promoters of the Lough House group), and make a determination and a recommendation on the appropriateness of the support being made out of public funds to such companies within the Lough House group that are in receipt of public funds.'*

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

**Mrs Hannan:** I will second it because I think it is important that the matter should be investigated. We are only a strong democracy if we are prepared to listen to areas of concern, and if we are not a strong democracy we will wither. Strong democracy means that there is opposition from time to time to what people are doing and how various things operate. It is all very well; things start in various areas, businesses and the like, and if government is going to support businesses like this, questions will be asked and I think the freedom of speech and expression should be protected, and I think hon. members should be protected. I am not sure I feel the same about it as Mr Karran said when he said it is a sad day. Members can move motions and members have moved motions, and Mr Downie has moved a motion and he has, you might say, raised the issue on this particular issue and I would have thought, by raising it in the way that he has after Mr Karran has made his comments which did not relate to this - it was a new film studio that was said about -

**Mr Downie:** We only have one.

**Mrs Hannan:** - and a company building the film studio. So it is Mr Downie that has raised the profile on this again.

**Mr Bell:** Nonsense!

**Mrs Hannan:** Mr Karran, when asking the questions - I do not know whether he has received a response from the comments that were made on 25th June, but I certainly have not seen anything since 25th June on this particular issue and I think it is - it should be - within our capability to answer the questions that have been posed, and Mr Karran has posed many questions on many issues and in a way they have actually been fobbed off. What Mr Karran has come back with is an amendment suggesting that this should go to the Public Accounts Committee.

**Mr Downie:** You need a motion.

**Mrs Hannan:** The Public Accounts Committee is there for a purpose. Mr Karran has taken the opportunity to propose that these revelations should go to the Public Accounts Committee; after all, they have been supported by funding from the public purse, and therefore I would hope that members will support his amendment to this particular motion that has been placed before us so that these issues can be investigated.

Now, members might say that the Public Accounts Committee cannot investigate it. We have been down this route before. The Public Accounts Committee is there to look at how public funding is used within departments, and therefore this is an area which could be investigated by the Public Accounts Committee and, as the member for Onchan has quite clearly said, he would not expect to be on that committee that would be looking at it, but if members do not think the Public Accounts Committee is up to looking at it in an open, honest and fair way, then the House can set up a committee to specially look at it if that is what they think fit.

However, I would go back to the first point I made: as a democracy - and we do claim to be a democracy - and we protect freedom of speech and expression, then I feel that the amendment moved by Mr Karran should indeed be supported and the matter should be referred to the standing committee of public accounts. Thank you.

**The Speaker:** The member for Douglas West, Mr Shimmin.

**Mr Shimmin:** Thank you, Mr Speaker. The issue before us today, I find, is a fairly straightforward one. We have privilege. In the House of Keys sitting on 25th June, the comments that have already been quoted by my colleague for West Douglas, Mr Downie, refer to two issues that with them carry a substantial amount of innuendo about the practice of businesses. Now, the identification is one where everybody on the Island who has any interest in this matter clearly identifies the company which was being referred to.

**Mr Karran:** In that company.

**Mr Shimmin:** Mr Karran referred in his comment to 'the new film studio' and it is on record now that Mr Downie has referred to it as Island Studios Limited. I would contend that it is no different from saying 'the post office in Peel' or 'a high street shop' which is identifiable because the new shop opened in the High Street - everybody would know which shop that would be. It is clear to anybody who has any knowledge of the Island and the film industry on the Island that for some years now a new film studio has been in the offing and is now shortly to be opened. It is the only one. It is therefore, in the comments of Mr Karran, identifiable.

I have just gone through in my head the members of this House, and I think that there are six or seven members who currently have businesses; if not in their own right, many of us have family members who run businesses, and were any of our businesses or family members' businesses to be referred to and identified 'that the police were recently called because of an altercation over a dishonoured cheque' I believe that we would be outraged. It would have an impugnation against our business or our family members' business -

**Mr Karran:** That is if it was a lie.

**Mr Shimmin:** - and the fact that it then goes on to refer to 'the company building the film studio is insolvent' - then again, the imputation there is that there are problems with that company.

Now, I do not know whether yourself, Mr Speaker, have taken up the opportunity which you referred to at that occasion in which you stated: 'Standing Order 49(3) requires members and makes it clear that members are personally responsible for statements they make in this House and if necessary proof could be required.' In my view, if that has not been done, then that is an omission. (**A Member:** Hear, hear.) I believe that that is something which could potentially have avoided the motion down here before us today. (**A Member:** Hear, hear.) However, Mr Downie, I believe, is correct in not allowing this to sit for a further three months at the inception of a new business with its reputation compromised both by live radio coverage and the media coverage since.

I believe, if any hon. member has concerns such as those outlined in the amendment in the name of Mr Karran today, there are many processes down which that can be investigated. I

think it is our responsibility and duty to do so. If we have concerns of illegality or malpractice there are mechanisms down which we can and indeed I am sure many of us do. It is like being aware of an illegal act: it is our responsibility to report it. However, the allegations or the comments made by Mr Karran have not been substantiated; they were communicated live without any warning and therefore the business involved has been affected, and that business, by my understanding, has no right of reply because of the privilege that Mr Karran has in this House that they cannot take legal action against him.

I therefore have no hesitation, without it being personal, without it being executive, without it being anything to do with the individuals involved, to support the motion in the name of Mr Downie, because I believe that comments such as this which affect business have to make sure that they are accountable for those comments and, until such time as evidence is produced, members need to exercise a level of caution over the comments that they make. There are many mechanisms we can use; to do it live at Question Time, I believe, is inappropriate without being prepared to state those statements in public outside the chamber and therefore be held accountable without the cover of privilege. Therefore, Mr Speaker, with no comfort and no pleasure whatsoever, I believe the motion has been determined and it is one where I will be supporting it.

**The Speaker:** Before I call on the next member, I would just like to refer to 49(3), which hon. members, and the last speaker especially, raised. I would like to make it clear that there is no requirement on the Speaker to require proof - none whatsoever. I was not asked to require it and, in fact, the first matter that I knew was when it was requested to put a motion down. I did however, as can be seen by Hansard, clearly advise the House and the member that in fact members should be very careful. Members are responsible for their own actions; if the Speaker is asked to provide proof, then the Speaker would consider that and decide whether or not it is appropriate. Hon. member for Ayre, Mr Quine.

**Mr Quine:** Thank you, Mr Speaker. I am decidedly unhappy to see this motion on the order paper - surprised in a way that it should be on a supplementary agenda as well, and in saying -

**The Speaker:** Sorry, Mr Quine, can I correct you there? It is not a supplementary agenda; it is an order paper put down properly in compliance with standing orders.

**Mr Quine:** I beg your pardon. Thank you, Mr Speaker. In saying that, I would not condone for one moment or in any circumstances an hon. member acting with the protection of this hon. House making a statement about any individual or corporate entity which he knows to be false or in respect of which he has no justification for making such a statement. A matter of justification is a matter of degree.

As Mr Speaker has advised us, of course, there is a case to claim, as indeed it has been stated there is no need to make a claim, that it is covered by standing orders in that provision is made for Mr Speaker to require an hon. member to substantiate any statement made. The practicalities of Mr Speaker doing so in respect of supplementaries, I think, are quite obvious; it is a much more difficult decision to do instant evaluation of a question which comes by way of a supplementary. But even if, at the time a supplementary is asked, Mr Speaker does not deem it necessary or in this case Mr Speaker made a comment, but even in circumstances slightly at variance with this where he does not deem it necessary to make a comment, the position remains that it is open to Mr Speaker on the one hand to later reflect on what happened and invite the member to offer an explanation in respect of the information which he used in that particular question or debate, and is equally open to any hon. member who feels offended to contact or write to Mr Speaker and say: 'Mr Speaker, will you initiate this action?' Mr Speaker has made it quite clear that he has not had such a request made to him for that action to be taken, and I believe that that is important in relation to the motion that is down before us today, because there is a permissible procedure. Mr Speaker has again been quite clear about this: it

is not a mandatory one, but there is a permissible procedure which is prescribed to deal with these situations. If statements are made and there is a question over the veracity of that statement, there and then Mr Speaker can question and request support for that statement or Mr Speaker can later call for support or seek to invite the member to support the statement he made or is open to anybody within the House to do likewise. He can contact Mr Speaker, he can write to Mr Speaker and the matter can be dealt with in that way. And, of course, we are all aware of cases where at least the two contingencies I have referred to have been dealt with in that way.

That has not happened here. What has happened here is that the hon. member for West Douglas has sought to pursue this matter by way of what is tantamount to an indictment, because the words he has contained in the motion amount to little short of an indictment, and if there was any question over that fact, when he introduced this motion he made it quite clear that it was intended to be an indictment, because he listed matters completely outside of what we have got here today, matters which he called 'allegations of abuse.' Now, if you put together what we have in this motion, the wording of this motion, and take into account the manner in which this motion has been introduced and the allegations made, these allegations of abuse, it is apparent to me that for whatever reasons the hon. member for West Douglas has sought to pursue this matter by way of the confrontational process, which to my mind amounts to little more than an indictment. Yes, of course, it poses two questions; of course the wording contains a question, but if you read the questions, I do not think you could come to any other conclusion that it poses a question in a form that is rhetorically structured - in other words, it is the same thing as a statement.

Now, just moving on from there, if an indictment of this nature for motion - let us call it the motion because I think that is clear what we are talking about - if the motion of this is to be prosecuted, then I would have expected at least two things: I would have expected that firstly the hon. member would have established to this hon. House that there is an infringement of a rule, and that would have meant that he would have been telling us that it is infringement of this standing order or it is not in conflict with this standing order. Or additionally, he would have been saying, 'Well, our standing orders are silent on this matter, but by virtue of best practice - we are back, perhaps, to the Westminster reference - it is an offence under Westminster practice.'

Now, of course, there has been a reference made to Erskine May, and I have no doubt Erskine May has certainly be quoted often enough in Tynwald and other places, but our situation is quite clear: Standing Order 2 makes it quite clear that for our purposes it is Mr Speaker that decides these matters. Mr Speaker may take what advice he wishes, but it is for Mr Speaker to decide these matters, and 'If any case shall arise for which provision is not made by these Standing Orders, the procedure shall be such as Mr Speaker shall . . . determine and Mr Speaker sat right through this and has properly sat through this and presided over all of this; it was a matter which was covered by our standing orders had he deemed it necessary to act in that way.

So we have not had put before us, in effect, a statement as to what is the offence, but, more importantly, if we are taking this route, we have not had put before us the evidence to support it. At this stage it is up in the air as to whether it is a false statement, a true statement or somewhere in between, and on the strength of that we are being invited to resort to what I would suggest is, at best, an extraordinary procedure, because there is an alternative and a much more palatable and much more efficient procedure available.

Also of concern to me is the fact that - and I respect the hon. member's right to put down his motions - the motion is in the name of the minister - in fact in the name of the Minister for Trade and Industry relating to a matter within the scope of his department. Yes, it says that he is the hon. member for West Douglas, but he is acting and relating to a matter, seeking to act a

matter which relates to his department and arises from questions put to him when he was acting as a minister -

**Mr Downie:** There were no questions put to me.

**Mr Quine:** - and, of course, today we have had the additional embellishment on that where, when this motion was moved, there was no great rush to second it and it has been seconded by the Chief Minister, so we have this impression of a move by the executive. (**A Member:** Rubbish!) It is perhaps somewhat peripheral, but I think this is so important that I am not going to leave it aside, and that is this: even if I am wrong in saying that the alternative procedure is preferable and available, there was no occasion to cast this motion in the terms that it has been cast and in the process specifically naming a party against whom this initial statement related.

It was open, and certainly open to a parliamentarian of Mr Downie's experience, to produce a motion that asked for this issue in general terms to be evaluated - in other words, for an examination to be carried out in respect of under what circumstances it would be appropriate for a member to name a party that cannot defend himself in this Court and subject to what proviso. It was open to have a reasonably innocuous, generally worded statement that was available to him, that would have been perfectly good drafting practice, but no, it has taken this aggressive form.

It seems to me that the approach adopted and the wording of the motion and its apparent support from at least some members of the executive - we will see later on to what extent that support is there - will inevitably be seen by the man in the street as an attempt to muzzle, in this particular instance, Mr Karran. It is going to be seen in that light, because the appropriate approach to dealing with this matter has not been followed. It seems to have been more important to the mover of the motion to have his day here in this hon. House in pursuing this matter in this overt and aggressive form rather than seeking to address the question and produce an answer which could have been done on a proper basis without the nausea and the conflict that arises from this approach.

I do not think having motions of this nature is going to do this House any good whatsoever. We, of course, are like any family; we are not perfect. Some of us from time to time will transgress, and I suppose there are a few of us looking around here today and saying to ourselves, 'But for the grace of God go I.' That is not the issue; the issue is we will make mistakes, we can make mistakes. It is up to us to react to those situations, learn from those situations and put in place appropriate standing orders to guide us for the future. That is the object of the exercise. There is a way to do that which could have been followed and has not been followed. That, I think, should be a matter of concern to all of us, but to follow through with this course of action which I repeat if you take it as it stands and take it as introduced, a motion it may be, but an indictment it is intended to be. Thank you, Mr Speaker.

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

**Mr Corkill:** Mr Speaker, my comments will not be as long as the previous speaker. (**A Member:** Hear, hear.) The fact that the hon. speaker who has just resumed his seat has tried to turn this motion on the paper into an indictment is trying to give the impression that this is some sort of kangaroo court run by the executive -

**Mr Karran:** Of course it is.

**Mr Quine:** You said that.

**Mr Corkill:** - and I am afraid that those sort of suggestions come, I think, rather thinly, because if one looks at the process before us, the very fact that the executive was trying to distance itself from the hon. member's comments by using the parliamentary process of a consultative committee where there is no executive influence, as far as I am aware anyway,

purely puts the distance that hon. members would be looking for (**A Member:** Hear, hear.), the transparency that we hear so much about. The hon. member who has just resumed his seat says that this is an aggressive motion, and I would say that the aggression had started in another place at another time by other members and that this is a reaction to aggression. The hon. member says some will transgress, some will make mistakes and surely we are all in that position as hon. members elected to this House, and surely the Consultative Committee, detached from the executive, can make that type of determination by taking evidence and looking at the facts clearly, quietly and coming back to this House with conclusions. While the hon. member was speaking, the hon. member for Ayre, my colleague from Onchan, Mr Karran said this will create even more damage, so he acknowledges that damage is being done.

Now, there is an editorial in the newspaper today, so the hon. member who has just resumed his seat talks about the man in the street. The man in the street will be reading this, which says, headline, 'Responsibility comes with the job of MHK. (**A Member:** Hear, hear.) Peter Karran is in danger of becoming the boy who cried 'Wolf.' I am very tempted to read the whole of this editorial, but I am sure lots of people around the Island will be doing that, but the final paragraph says, 'Surely Mr Karran too will welcome it' - i.e. the proposal on the House of Keys agenda before us. 'He will welcome it as the self-styled leading campaigner for transparency.'

**Mr Karran:** That can go to the public accounts committee.

**Mr Corkill:** Now, the hon. member says, 'Take it to the public accounts committee.' There is no need for a motion in this House to do that; he could have referred that to the public accounts committee. The public accounts committee can look at what it wants to. Any one member can refer issues to the Standing Committee on Expenditure and Public Accounts without the need to go to such a long and carefully worded amendment.

I have not much more to say than that, Mr Speaker. I too think it is a sad day that we are here discussing such a motion, but I just would return to the headline, which is 'The responsibility comes with the job of an MHK', and I as an MHK am prepared for the Consultative Committee to make some investigation into the situation for us and to report back to the House with its findings.

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

**Mr Braidwood:** Thank you, Mr Speaker. I believe that every member of this hon. House has a responsibility to maintain a certain set of standards, and unfortunately I believe over these last few months Mr Karran has overstepped those boundaries and (*Interjection by Mrs Hannan*) I believe that because allegations have been made and probably the one on June 25th was the straw that broke Mr Downie's back, because we are now having a public inquiry at the Mount Murray with allegations of corruption, which has now been changed to 'maladministration' because corruption - definition, 'influenced by or using bribery or fraudulent activity.'

**Mrs Hannan:** It is not reported yet.

**Mr Karran:** Yes.

**The Speaker:** Hon. member!

**Mr Braidwood:** It was reported -

**The Speaker:** Hon. members, the issue before you is quite straightforward and I would ask hon. members to be careful and endeavour to keep in line with the motion and the amendment before you and not stray. Mr Braidwood.

**Mr Braidwood:** Thank you, Mr Speaker. I do believe that Mr Karran has abused his privileges as a member of this House, knowing quite well he was basically immune from prosecution. It has also been said under Standing Order 49(3) he has to substantiate, or could

be made to substantiate, those statements and bring out the evidence. We had that on Tuesday when there were allegations with a question on Ramsey post office and collusion when it was quite right by the Chief Minister when he had declared an interest, when he was Treasury minister he was not in attendance when the decision was taken by the Treasury - more allegations, another inquiry into it, and I think the general public are getting quite fed up. I think the Chief Minister was quite right in the editorial -

**Mrs Hannan:** He wrote it, did he?

**Mr Braidwood:** Oh, shut up!

**Mrs Cannell:** Mr Speaker, a point of order, sir. This is getting really very, very personal and there is no need for it to get personal, Mr Speaker. I would like you to ask my hon. colleague for Douglas East to withdraw his comment of 'Shut up' to the member for Peel.

**Members:** Hear, hear.

**The Speaker:** Hon. member for Douglas East, Mr Braidwood, the hon. member made the comment without specifically naming the member, but I think it would be helpful to withdraw that comment.

**Mr Braidwood:** I would be happy to withdraw that comment then, Mr Speaker. I have not got much else to say, but I will be supporting the motion.

**The Speaker:** Before I call on the next hon. member, I know it is a difficult matter to deal with, but I would ask hon. members to endeavour to control how they deal with the issue. Hon. member for Douglas South, Mr Cretney.

**Mr Cretney:** Thank you, Mr Speaker. I said yesterday in Tynwald that I felt the last period of time since the election has been pretty difficult in terms of unpleasantness which has been going backwards and forwards and that it is pretty important to me that as soon as possible both the executive and all members of parliament, Members of the House of Keys here assembled, get on with the job which we have been elected to do. (**Members:** Hear, hear.) It could not be a more important time, given the external problems we have got, for us all to work together for the good of the Isle of Man.

Now, obviously there will be concerns along the way which members will have about issues, and it is right that those should be raised in parliament - entirely right that those should be raised in parliament. I just want to say today I have got an amendment which I have put down because the hon. member for West Douglas, my colleague, Mr Downie, the Minister for Trade and Industry - it has been suggested that this is an executive move. What happened was the hon. member, the Minister for Trade and Industry, put down with your permission the resolution on the agenda. It is in order and he did so. However, it was only after that item had been put down that, to the best of my knowledge anyway, other members of the Council of Ministers were informed - I was informed last Thursday - that this was on the agenda.

**Mr Downie:** After me.

**Mr Cretney:** That is exactly right, so -

**Mr Downie:** Because we are the executive government.

**Mr Cretney:** Well, that is what I understood, anyway. My amendment, Mr Speaker, says:

*Delete all the words after 'That' and replace with -*

*'Mr Speaker be requested in line with Standing Order 49(3) to seek proof of the comments made by the hon. member for Onchan, Mr Karran, by way of supplementary questioning raised on 25th June 2002 under question 8 referred to in this hon. House on*

*Thursday 11th July 2002, and report to a special sitting of the House of Keys convened as soon as possible.'*

I do that, Mr Speaker, on the basis that if it is said 'and to report to a meeting of the House of Keys,' the next one is October and I do not believe it is in anybody's interest for this to drag on and on. (**Two Members:** Hear, hear.) I believe it is important that my friend, the hon. member for Onchan, Mr Karran, has the opportunity to discuss with you and to submit proof to you and then you can report back here, and I hope we can then get on with the job which we were elected to do.

**The Speaker:** Hon. member for Onchan, Mr Earnshaw.

**Mr Earnshaw:** Thank you, Mr Speaker. I rise to second the amendment put by the hon. member for South Douglas, Mr Cretney. I have listened to the comments that have been made by various members here today. I think it is a sorry day for this House, really, (**Members:** Hear, hear.) that we are meeting here like this. I am also sorry, I have got to say, with the way my hon. colleague for Onchan, Mr Karran, has conducted himself on occasions in the past, which no doubt has contributed to us being here today.

I read Mr Karran's amendment. I am a member of the Standing Committee on Expenditure and Public Accounts. I could not have supported his amendments largely because I do not think this is the way to bring a motion such as that to this House. I do not think it is necessary. I think it could have been done in a different way. The Chief Minister has outlined that. I think it was the Chief Minister that said it could have been sent to the PAC or the PAC could have picked it up themselves, so I could not have supported that.

So in the circumstances, having listened to the comments of members today, I would like to second Mr Cretney's motion, which I think is a good compromise, because I have learned something from standing orders today under 49(3). Perhaps if we had been more aware of this or if somebody had been more aware of this, at an earlier date -

**Mr Karran:** They were.

**Mr Earnshaw:** - this could have been handled a little bit differently to the way it has been handled now.

**The Speaker:** Hon. member for Ramsey, Mr Bell.

**Mr Bell:** Thank you, Mr Speaker. They do say that the best method of defence is attack, and we have seen two examples of it today: we have had an aggressive attack from the hon. member for Onchan, Mr Karran, and a considerably more subtle attack on the part of the member for Ayre, who has tried to deflect the whole fundamentals of this issue away from being a breach of privilege of this hon. chamber into an attack on the executive, and that is very much in line with his policies which he has been pursuing for the last six months and indeed beyond that, and I think it needs to be recognised for what it is. It is an attempt to deflect what is fundamentally a very serious issue for this House of Keys to deal with into a matter to try and discredit the Council of Ministers, the executive, and give the impression that we are trying to gag backbenchers and deny hon. members their rights in this chamber.

Mr Speaker, you, yourself, I think, on a number of occasions over the years have highlighted the point, and I agree wholeheartedly with you, that every single one of us are parliamentarians; we are all elected members of this House of Keys. Primarily first and foremost we are here to look after the interests of our constituents. I think this is an issue which has been perhaps overlooked here today. We are all equals on this. If damage is done to this hon. chamber by way of smears and unsubstantiated allegations in this chamber, we all suffer from it. It is not the Council of Ministers; it is each and every single member sitting in this chamber. It is our integrity that gets damaged, and it is because of that damage that the integrity of the House of Keys as a

whole is diminished in the eyes of the wider public. That is what we need to be focused on today, not an attempt to sidetrack us away from what the fundamental issue is.

We have heard also from one or two contributors a defence of the freedom of speech and an appeal that the right of individuals needs to be protected. Once again I would suggest that every single member of this hon. chamber is signed up to that ideal and it is something all of us will, I am sure, battle to the very end to defend. But all we have heard about this afternoon has been the rights of the individuals sitting in this hon. chamber. There seems to have been very little concern whatsoever for the right of individuals whose interests, legitimate interests, interests we as a matter of government policy have encouraged over the last few years, are being damaged and smeared and their credibility and their integrity is being damaged in the eyes of the public.

The difference is, though, we are protected by privilege; we have the right to reply if we wish to. The members outside, who are the public, are caught up in machinations which are going on at the moment and this is simply one instance of it. There has, as we all know, been a series of allegations made over the last few months. This I understand I believe, is the second time this particular company has been discussed. These individuals outside have no defence against the allegations which are being made against them, and I would again just bring members' attention back to the issue at hand here: that not only were allegations made on 25th June, but they have actually been compounded by some of the comments which have been made here today, once again posed in a series of questions but taken up inevitably by the public in a detrimental way towards the company involved. It is a classic way of smearing an entity, whether it be a company or an individual. It is a long established mechanism of doing it.

Now, Mr Karran, the hon. member for Onchan, in some form has posed a series of questions to me. He has suggested that the Treasury minister needs to be investigating these issues. I agree with him wholeheartedly. Unfortunately on 25th June, when this allegation was made, I was not in this chamber. I had to be off the Island, but on my return and as soon as I found out what the allegations had been, I did write to the hon. member in my position as Treasury minister to ask for his evidence to confirm what it was he said in the House of Keys, because quite clearly I have a responsibility as Treasury minister that if government money is knowingly going into enterprises which are alleged to be insolvent, there is police activity surrounding that company, then it is most important the Treasury do know these things, so I have written to Mr Karran with a request to let me know what the evidence is for this, and to date I have not had a reply.

Now, it is all very well standing up and making allegations here, but we have heard from Mr Quine a very eloquent outline of an alternative way of handling the issue before us today on the order paper. I would suggest to hon. members, if they have concerns about the recipients of government money, whether it be grants, loans, whatever it might be, there is also another way of handling it rather than broadcasting the issue in the first instance in the parliament of the Isle of Man. The hon. member had the opportunity, either through the Department of Trade and Industry or through Treasury or through other mechanisms, to try and initiate an investigation to prove the basis of his allegations in the first place. If at that point the allegations were proven to be correct - and I think we would all applaud him if he had found that there was wrongdoing - by all means bring it into the public arena and then we can put some strength behind the allegations. As it is, the hon. member had the opportunity to raise it through the normal channels within government. That did not take place. I wrote to him asking for evidence; again, I have not had a reply from him. One has to question why that was the case and indeed, when he throws questions at me now, I would not know on what basis he is doing it other than a defence mechanism.

**Mr Karran:** That is your excuse.

**Mr Bell:** What is your excuse, sir, for not replying when you had the opportunity to do so? That is the question I ask.

Mr Speaker, I, along with, I am sure, as I have said before, every other member of this chamber, will fight hard for transparency and open government. It is not the remit of one individual on his own; he does not have the monopoly of the moral high ground in all this. We are all equally committed, only some of tend to publicise it more than others. We are all committed to proper regulation within government, proper transparency in government, and I do believe, as the Chief Minister has indicated himself, that in pursuing that, members of this hon. chamber are granted privileges. They are very, very important privileges which must be defended to the end but, as the Chief Minister has said, with those privileges comes responsibility, and that responsibility is to be sure that when we do make statements in this hon. chamber or another place, what we are saying does not unnecessarily damage individuals or organisations outside of this particular privileged community.

Mr Speaker, I think a great deal has already been said today about the procedures and the rights and wrongs of this. I do believe it is important, though, that this hon. chamber puts a marker down for integrity, and this is what I am coming into this for this evening. We have to assure those members of the business community or the individuals outside it that if they are dealing with government they are dealing with a body of integrity and that they will not be damaged in their dealings with government as a result of it. I think the events of the last few weeks have raised a question over government's ability to deal with the private sector and with the individuals. It is something that is urgently in need of clarity and I think the issue that has been raised by the hon. member for West Douglas in his individual right, not as a minister but as a member of this hon. chamber like everybody else, is something that should be wholeheartedly supported.

The amendment that the hon. member for Onchan, Mr Karran, has put forward is simply a red herring. It is an attempt to divert attention away from his own comments and away from the fundamental issue. If there is proof, let us have it, let us see it; that is all we are asking for, and I do not think that is a bad thing. It is extremely unfortunate from almost every aspect, Mr Speaker, to find ourselves here tonight discussing this issue two or three days prior to the opening of the Isle of Man's first film studio. This should be an event that we should be very proud of, very pleased of, because it helps to diversify the economy, it is going to bring a lot of attention on the Isle of Man, a lot of work into the Isle of Man and indeed a lot of revenue into government to spend on public services if it is successful. I would have thought it was incumbent on all of us to do our utmost to try and support new enterprises like this, to contribute to the diversification we all appear to be signed up to. Instead, what we are trying to do, for whatever motives - and we have all heard reasons as to what is actually motivating this, I am sure - far from actually giving it a positive launch, there is an attempt to derail the whole exercise and I find that very regrettable. This is not the Isle of Man's way of doing things, it never has been in the past, and I find it disappointing that here, as I say, when we have this great opportunity now to really put the Isle of Man film industry on the map, we find this guerilla warfare going on against it.

Mr Speaker, I would urge hon. members to support the motion put forward by the hon. member for West Douglas and, failing that, then the amendment moved by Mr Cretney, but I would strongly urge members to resist being seduced by the amendment by the hon. member for Onchan because it is simply a red herring designed to deflect you away from what the fundamental issue is today that we have to consider.

**The Speaker:** Hon. member for Michael, Mr Cannan.

**Mr Cannan:** Mr Speaker, I, earlier on before we commenced proceedings today, wrote a note to the hon. member for Onchan, Mr Karran, and said, 'Are you absolutely certain that what you said was correct? Because if you are not absolutely certain, then for goodness' sake now at

this late stage stand up and have the courage and unreservedly withdraw your remarks.' The hon. member has indicated to me - and he has not stood up and withdrawn his remarks - that he has certain knowledge of what he said was correct. It was not a conversation, it was written, and heavily underlined: 'Are you absolutely sure?'

What we have today is all very sad, but as this debate has been initiated by the member for West Douglas, let us not have any crocodile tears now about the name of Island Studios Limited being dragged through the media. The name was here on the order paper and I am rather sad and slightly suspicious when I see a succession of the Council of Ministers getting up to lambaste the member for Onchan, Mr Karran, for his sins real and imagined, because he has sins real and he has sins imagined -

**Mr Karran:** Yes.

**Mr Cannan:** - just as all of us, and if there is any one of you in this House that can throw stones in glass houses then stand up now, and I say that in particular to the hon. member for Ramsey whose speech we have just heard. His political cupboard is full of skeletons, (**A Member:** Hear, hear.) and if we want political blood-letting -

**Mrs Crowe:** Dear, dear!

**Mr Cannan:** - because member after member has stood up and harangued this member, then there are cupboards full of political skeletons.

**Mr Karran:** That is what you are frightened of.

**Mr Cannan:** For 20 years I have seen political skeletons; there may be some in mine too, but let us have them all out if we are going to go down this road. We will have them all out and we will parade them in front of the public, and when I get humbug and hypocrisy saying 'integrity' and 'trial by media' and all this rubbish . . . I have been through this 20 years. I started with the Savings and Investment Bank and we have had succession after succession of scandal. Well, there is an old saying: 'Let sleeping dogs lie.' Unfortunately the member for West Douglas did not let this sleeping dog lie, and members gave me the impression when they opened their speech, the Council of Ministers - they all started not on the terms of the motion that the allegations made . . . they started about what he said on Tuesday or last month or last week or three months ago or in February. They were all starting to parade those sins, so there is a culmination: 'We have got to get Karran, the hon. member for Onchan.' That is what is perceived out there, not by me. I was at the airport the other day, Tuesday, and a man came up to me and he said 'Excuse me, you are Mr Cannan, aren't you?' and I said 'Yes,' and he said 'Well, you should be in Tynwald.' I said I was not. He then said, 'Do not let them intimidate Mr Karran' - a complete stranger on Tuesday morning. (**Mrs Crowe:** Businesspeople.) And then you say it is businesspeople that are being affected, but the man in the street who pays his income tax can also say he is being affected. He wants to know what his money is going for.

**A Member:** Too true!

**Mr Cannan:** So what are we to do? Mr Karran, on my advice has declined to stand up and unreservedly withdraw his remarks; therefore I can only assume as an hon. and responsible member there must be foundation in what he says. The hon. member says he is wrong. Well, let us have an investigation. And you say the Consultative Committee - well, it will cost you, because I am a member of the Consultative Committee and I will want an accountant as an adviser and I will want a lawyer as an adviser, to advise the committee, not just the three members of the Consultative Committee -

**Mr Karran:** To bamboozle.

**Mr Cannan:** Oh, no. If I am on that committee I shall want an accountant there and a lawyer, and we will want an investigation, because you, hon. members and Mr Downie, in particular - he wants a full-blooded investigation.

**Mr Karran:** He can have one.

**Mr Cannan:** Well, Mr Downie, you can have a full-blooded investigation if that is what you want, not just to sit down, three lay members of the Consultative Committee, or five, I think it is -

**A Member:** Four.

**Mr Cannan:** Four, I beg your pardon.

**Mr Downie:** You are on it, in case you did not know!

**Mrs Hannan:** They have not met yet.

**The Speaker:** Hon. members!

**Mr Cannan:** And for the members to be expected to pass judgement on serious financial issues that have been raised by the whole of this.

Hon. members, I think the easier solution, on reflection, if you want to calm it all down, is for the motion to be withdrawn. If you want to high-profile it then vote for it because it will not be a whitewash if I am on it. I will not condone or be party to a whitewash. I will not be party to or condone a witchhunt against the hon. member. I will seek out the truth.

**A Member:** That is what we want.

**Mr Cannan:** Yes, and do not squeal about the cost. I have heard squeals here this afternoon about the commission of inquiry and the cost and so on, and members have been squealing.

**Mr Karran:** And the news blackout.

**The President:** Hon. members, please!

**Mr Cannan:** And that was voted for by you, and if you vote for inquiries, then you vote to open the box, not to keep it sealed; you vote to open it. And without fear or favour I will endeavour to the best of my ability to see that there is a proper inquiry into the activities, the financial handling, the arrangements and the matters about Island Studios Limited, and it is no good the hon. member for Ramsey bleating about it opening on Saturday. I am sorry about all this. I did not put it on the order paper. I did not raise its profile today.

**Mr Karran:** Trying to frighten people away.

**Mrs Crowe:** Just dreadful!

**Mr Cannan:** And above all, if I want to ask a question of any minister, I will ask it without fear or favour, and I will not be intimidated and I will not be told by the Chief Minister, whether he meant it for me or not, that I was destabilising the Island when I asked him the question that it was time that he sought out who the beneficial owners were, the people to whom he paid rent, instead of trying to fob me off.

**Mr Corkill:** It is the first in the world.

**Mr Cannan:** I am not interested what is the first in the world. We hear the Isle of Man being boasted of quite often, 'first in the world,' and I personally would not pay rent to somebody that I did not know who I was actually paying rent to. I would make it a condition: if they wanted my rent, I would want to know who the rent went to. And we do not want any more of this business about care and money laundering when you are giving the opportunity through beneficial owners and Panama companies to do the same thing yourself.

Hon. members, the choice is yours: throw it out or vote for it. You vote for it, you get a full-blooded inquiry; you throw it out, then we have all learnt our lesson. We have all learnt our lesson this afternoon.

**The Speaker:** Hon. member for Douglas East, Mrs Cannell.

**Mrs Cannell:** Thank you, Mr Speaker. I rise to my feet to support the amendment which has been moved in the name of the hon. member for South Douglas, Mr Cretney, because it is the most appropriate way to deal with this situation in my view.

I studied *Hansard* and I studied standing orders, like a lot of hon. members have today, and it is quite clear the provisions are there where the Speaker may be required to ask a member to provide *prima facie* proof of a statement that may have been put by way of a question or anything else, and I think that is the best approach to deal with this.

I feel very saddened today that we are going into a summer recess having sat our first term of this new assembly since the election last year and we are going out on this type of negative note. (**A Member:** Hear, hear.) It leaves a very sour taste in my mouth - very sour indeed. (**A Member:** Absolutely.) I have been particularly concerned with the motion on the agenda paper. I have spoken to the mover about it, I have spoken to other members about it and I am quite clear in my view that if members were to support that today then you are supporting a principle of change which will dilute the democracy that we so enjoy and this Island has had for so long.

I am not going to quibble the whys and wherefores of who said what and whether it is right or whether it is wrong and who has taken offence and who has not and the fact that there appear to be guns out for the hon. member for Onchan. I am hearing confused things of 'Oh, well, the Mount Murray this' and 'the allegations on the film studio that.' It is quite clear that the member in question has rubbed a number of ministers up the wrong way. That is quite clear. It is quite evident, but I witnessed other hon. members - including myself - I have done exactly the same thing. The only difference was that I made my comments outside in the public and they were reported, and I still say and will say to my dying day, Mr Speaker, I spoke the truth, but the truth hurt in my instance and I was reprimanded, sacked from my duty. My pay was cut down dramatically and I was out in the political wilderness for quite a long period of time, so I know what it feels like. Other members in this hon. place who have been here much, much longer than I, know what it feels like. They have been there before; they have the T-shirt; they have been round the block; they know what it is all about. I have also in my political career attended a kangaroo court or two but I have never ever witnessed it happening in this hon. place or another. At local authority, yes, it is expected at local authority. Why, I do not know, but it is. It is part of cutting your political teeth, I expect, but this is a national assembly. We are supposed to deal and contribute and think and decide and deliberate on national policies with an international flair, and we are bogged down here. It seems to me that allegations of this and allegations of that and clearly one member has been asking too many questions perhaps in some people's view or questions that they feel unable to answer, questions perhaps they cannot answer; maybe they do not know the answer but will not admit that they cannot answer because, of course, we have also, unfortunately, an attitude which still prevails of 'stand by the sword and die by the sword but do not admit that you do not have the answer.'

Mr Speaker, I think this assembly is mature enough - I know it is mature enough - to come to the right decision today, and that is to support, cast aside the original motion, cast aside the amendment by the hon. member for Onchan and focus on the issue at hand. A question was asked, it was interpreted by the receiver, the Chief Minister, in *Hansard*; I have not heard any of these allegations or comments. When the question was put, it was not termed as an allegation. It said, 'Is the Chief Minister aware? Has the Chief Minister been advised if the company . . .? If he has, when was he told? et cetera. It was just full of questions. Of course, the red herrings may be jumping in people's minds because of the nature of the question, but the original

question was quite clear: it was seeking to ask whether or not there were checks and balances in terms of money that goes towards assisting and helping companies to prosper and set up on the Isle of Man.

It was a perfectly reasonable question. The Minister for Trade and Industry was present at this sitting. He could have, if he had felt so inclined, to have jumped up and, under the protocol the Council of Ministers have to operate under, have asked a helpful question for the Chief Minister which may well have given him a little bit more flexibility in putting a more acceptable, a more palatable result to the end of that question, because of course it ended very, very promptly, Mr Speaker, by your intervention of reminding hon. members of the importance of Standing Order 49(3), and of course the line goes under that advice because, following that advice given by Mr Speaker, that was the end of that question and so it was left in the air. I know it must be difficult for ministers and chairmen to answer supplementary questions. A question is put on the paper is put in in good time; the officers for that particular board or department will investigate and try and imagine what might come out, what might follow by way of supplementary, but that is the beauty of Question Time in this assembly. That is what makes it so democratic and truly exercises the minds of those who have to answer. But clearly, in standing orders, there is also provision for refusal of an answer to a question. Why is that not used sometimes if ministers or chairmen of the board do not know the answer or perhaps are not aware of an allegation or a comment which may be made? Why do they not use that or why do they not stand up and have courage and say, 'I am equally concerned with the question that has been raised by the member; I will look into this and investigate and come back to this House'? 'I have no knowledge of the comments that are being made but I will look into it.' That will give stability in here. That will give the public the assurance that a question has been raised and the issue will be looked at, not dismissed or rebutted as perception is and as we often have to receive rebuttals in here. I amongst many in here have received many rebuttals on questions or misinterpretation of the question.

The only proper way to deal with this is to bounce the problem, if it is perceived as a problem, back to Mr Speaker. Mr Speaker is the person here who can decide whether or not there has been a breach of privilege, whether it was inappropriate behaviour or whatever. He is the person who is best placed to make this decision, not this hon. House. It is such a shame that it has come to this hon. House and we have been called in after we dissolved to consider hanging high a member for having the audacity to ask a question which might be a bit close to the bone.

Please, hon. members, cast aside the original motion, ignore the amendment, which is defensive to a degree - although the member may have a point but he can pick it up at a later date - it is defensive to a degree to the original motion, and go with the sensible compromise which should have been the way that the hon. member for West Douglas approached it by writing to Mr Speaker and asking him if, under the standing order, he would consider. Please let us not go on any more. Be sensible. Be mature like I know that we can be and make the right decision. Thank you, Mr Speaker.

**The Speaker:** Hon. members, before I call on the next hon. member, standing orders would normally require us to complete our business at 5.30 p.m. Can I take it that hon. members wish to complete the business on the order paper before them?

**Members:** Hear, hear. Agreed.

**The Speaker:** Thank you. I call on the hon. member for Ramsey, Mr Singer.

**Mr Singer:** Thank you, Mr Speaker. I do not know if other members feel the same. I somehow feel there is a bit of a sense of unreality here this afternoon (**Several Members:** Yes.) in the fact that we are here and what we are discussing, but I must say to hon. members, not as

a member of the executive but as a backbencher, I have been disturbed over the last few months by the accusations that Mr Karran has stood up and made within this hon. chamber -

**Mrs Cannell:** Write to the Speaker and complain.

**Mr Singer:** - but personally - if you would let me finish - I have not known whether these accusations are right or they are wrong. I have sat here and listened to them but I have not known, and I would like to know, but I have not seen or been offered proof in any of these cases -

**Mr Karran:** Which cases? State them.

**Mr Singer:** Well, we were supposed to be discussing this matter going on from the Business School to Mount Murray onto the accusations yesterday. (*Interjection by Mr Karran*) No, let me finish, Mr Karran, please, because I am not making accusation directly to you if you listen carefully to what I have got to say. I would say to Mr Karran that if they are not true, then he has caused great distress to innocent individuals and their families and businesses often by innuendo, but if they are true, Mr Karran, what you have said, I also want to know because I think it is important that I know (**Mrs Crowe:** Absolutely!) and everybody else knows and the public knows, and I would hope that you would put the proof of any of these cases to us because it is very important, as I say, that the public do know. But if it is scatter-gun approach, I know a scatter-gun approach does hit the target occasionally but it can cause a lot of unnecessary damage. But if it is true, Mr Karran, what you have said - and let us come to the item on agenda 3 - let me see that proof and I will congratulate you. I will be the first to shake your hand and say you have done a service to this Island and to the people of this Island.

I would say to Mr Karran that I do not think his amendment has helped today, but I will support the second amendment by Mr Cretney because I think this will get us to the truth. As I say, Mr Speaker, if what Mr Karran has said is right then I would be the first to congratulate him, so I hope that members will support this second amendment.

**The Speaker:** Hon. member for Rushen, Mr Rimington.

**Mr Rimington:** Thank you, Mr Speaker. Since being invited to become a member of the Council of Ministers in December 2001 I have found that my persona has changed from being a somewhat acceptable or maverick backbencher to, overnight, becoming a satanic member of the executive, and I have had some personal difficulty living with this change that has been placed upon me in the minds of others, because I do not feel in myself that any change has actually taken place and I feel that I have been elected to be part of this parliament and be part of the government of the Isle of Man and to do whatever I can in whatever way I think best for the benefit of the people of the Isle of Man. If you accept a particular post you do that on those terms. I feel I am not part of a conspiracy and there to hide evidence, to mask, to put down backbenchers, to administer things in incorrect ways et cetera.

On the particular day in question which we are here now discussing I was sifting through all the questions by the hon. member which under standing orders he is perfectly entitled to bring, although I did feel as a personal view that he was being excessive, when those particular questions, as we might call them . . . but you can put a phrase or statement with a question mark around it in all sorts of ways and call it a question. I was seriously alarmed that an hon. member of this House should raise such an issue and make, effectively, a statement with a question mark on the end of it.

I am very pleased that we are finding a way here today to resolve that issue. It does need to be resolved, whether it is by the original motion or whether that is by the amendment, but I personally do not think it is acceptable within a general question to the Chief Minister on procedures. If I might just, for the sake of clarity, repeat what that question was: 'Can you say what procedures are in place to monitor companies that are receiving grant support from

government departments and, in the case of such recipient companies, what specific requirements are imposed regarding the notification to government of the company experiencing serious difficulties?’ and then the Chief Minister gave a general reply as to what all those procedures were et cetera, and what safeguards are there and the procedures that take place, and to that point it was all right and proper, but then comes Mr Karran’s supplementary: ‘Is the Chief Minister aware the police were recently called out . . .?’ and then all the rest of it (**Mr Karran:** Precisely.) There was no need to say those words. Anybody in this hon. House will realise from the general oral question that had been asked that the Chief Minister would have absolutely no knowledge and would in no way be able to answer those questions, and in a sense they were not in the cognisance of the member, because it is not his responsibility to walk around and memorise a list of all the companies that are given grants by the DTI or other departments and their financial backgrounds et cetera; it would be absolutely impossible for the Chief Minister to answer those questions, so they were not real questions. The hon. member was using the facilities of this House to make, effectively, a statement with a question mark at the end of it about private companies who had no opportunity to reply, nor could the Chief Minister reply. As he says, he had not heard of any of these allegations or comments before and, quite rightly, he would not have the opportunity to do.

So it is right and proper that this issue is brought before us and it is right and proper that a way to resolve the misuse, in my belief, of Question Time is found. Thank you.

**Mrs Cannell:** How would you know? You have never asked any questions.

**The Speaker:** I call on the hon. member for Douglas West, Mr Downie, to speak to the amendments, and I would say to the hon. member: please keep to the amendments.

**Mr Downie:** Thank you, Mr Speaker. If I can deal with the amendment that was moved by Mr Cretney, in all honesty, this would probably seek to bring about what it is I achieve, because my concern is the allegations and the way that they were made. The issue that it would not bring about is the clarification over privilege. Now, I still think that that issue really needs to be addressed, because in other parliaments, and Westminster in particular, they have changed their mode of operation -

**The Speaker:** Hon. member, you are drifting into replying to your motion. I would ask you to speak to the others, please.

**Mr Downie:** Right, okay. To be helpful to the House then, at this late hour, I would be prepared to accept Mr Cretney’s amendment if it was so moved and I would be content to pursue the other matter at another time through the appropriate committee of the House.

**The Speaker:** Hon. member for Garff, Mr Rodan.

**Mr Rodan:** Thank you, Mr Speaker. As I understand it, speaking generally, when consideration is being given whether to prosecute someone for any misdemeanour or breach, two questions are asked by the prosecuting authority, and it does not matter whether that prosecuting authority is an Attorney-General or a police prosecutor or, in the place I come from, a procurator fiscal; the first question is, ‘Is there sufficient evidence that there is a case to answer?’

**Mr Quine:** Is there?

**Mr Rodan:** And the second question is, ‘Is it in the public interest to bring that case forward?’

Now, as to the first question, it has been suggested by the hon. mover, Mr Downie, that evidence exists of a case to answer for a particular misdemeanour, that misdemeanour being abuse of privilege by allegations being made by a person. Now, that is not the same as prejudging; that is not to prejudge the outcome of an investigation into that case. The question is

simply, 'Is an investigation warranted? Is there enough evidence such as to warrant the question being determined?' and we do not know the outcome. The second question, 'Is it in the public interest?' - well, it certainly is now in the public interest.

**Mr Karran:** No thanks to Mr Downie.

**Mr Rodan:** We are now at the stage where the public interest can only be served by seeing this through to completion. So I would say, whether one may have wished an investigation or not or wished the question had never been asked, it is now in the public interest to know the outcome. What is not in the public interest is to withdraw the question and pretend it had never been asked. So I would say let us have that investigation into the complaint and let us get to the bottom of it and, like the hon. member for Ramsey, Mr Singer, I would say that if Mr Karran has been maligned in some way, then he should receive an apology -

**Mr Karran:** That would be a first.

**Mr Rodan:** - but let us know one way or the other. I think if one simply confines oneself to do those two questions, 'Is there evidence and is it in the public interest?' I think the answer is clear.

**The Speaker:** Hon. member for Peel, Mrs Hannan, speaking only to the amendment in the name of Mr Cretney.

**Mrs Hannan:** Thank you, Vainstyr Loayreyder. It is a pity, really, that this particular way of trying to solve the problem was not taken up by the original mover of the motion, because I do feel that it has raised the profile of this particular issue without an investigation being carried out first of all, and I would have thought that if the mover had not been satisfied with it being referred to the Speaker to see what the situation was, then maybe the motion on the paper would be the motion that should be addressed.

That is not the case. It would seem as if a preliminary hearing has not been held. We have gone straight to the court of general gaol without asking any questions, and I would have thought that the way to do it would be to take the matter up with the Speaker because the Speaker did raise it on 25th June; he did say that the members are responsible for what they say, and I would have thought that because the Speaker had said that - not for the speaker to investigate all members of this House; it is up to us if we think that what we have said has not been particularly correct or within standing orders, and it is for many and varied reasons that people are pulled up under standing orders. Therefore I do think it is a shame. A number of members have said that when you are attacked, defend, and that is exactly what the member for Onchan has done: he has attacked when he has been attacked and, whether it is in this House or in another place, he has defended his position and I think we should in actual fact respect someone who has had the whole power and in some cases the press, as the member for Onchan, the Chief Minister, has said, but the Chief Minister did not read out the pink paper page; he ignored the pink paper in the *Examiner* and so investigation is fine, but I do think that in moving something like this the integrity of the House needs to be respected. Every time a member has an outburst or is asking questions, has anyone in this hon. Court gone and followed up the points made by the member for Onchan on various issues?

**The Speaker:** Hon. member, I did advise you only to speak to the amendment. You have contributed towards the main debate. You are drifting into the main debate again.

**Mrs Hannan:** I thank you for your comments, Vainstyr Loayreyder. Thank you very much.

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

**Mrs Crowe:** Thank you, Mr Speaker. I too will be supporting, like the hon. member for Ramsey, Mr Singer, the amendment brought by Mr Cretney, the hon. member for South Douglas, and I will be supporting that amendment because I think it will be a speedier solution. We have

heard from the hon. member for Ayre and, rather similarly, the hon. member for East Douglas and we had the 'softly, softly' approach that there were allegations, standing orders, minor infringements - well, that might be fine. The hon. member spent his career in the public service and I feel certain he would have turned to the rule book and looked through it for all the infringements and all the rest of the things, the misdemeanours - 'misdemeanours' was a word that was used - and maybe checked for the right punishment.

But in the real world, in the business world, it does not happen like that. I can imagine being the managing director of that company that was abused on the floor of this Court. The phones must have been ringing without ceasing. In the real world companies that are high-profiled on the Island do not expect this kind of treatment from the national parliament.

Now, the hon. member for East Douglas mentioned members being rubbed up the wrong way - absolutely immaterial! We are talking about a major business on the Isle of Man that was accused of wrongdoing in whatever way, shape or form; that is what we are talking about. It was called abuse of privilege. We are not talking about minor disputes that we all have between one another; we are talking about a business attracted to our Island, something that the members of the DTI have tried to do over many years, being abused on the floor of this House. It was said in the 'softly, softly' speech maybe there was perceived to be a problem. Well I can tell you, as a former businesswoman, had that been my company, 'perceived to be a problem' would not be the expression I would have been using. It is very difficult when there is no right of redress for a company that has been accused in this way. We have heard from another hon. member that he actually wrote to the member, another businessman in the Court, to say, 'Here is your opportunity. If you cannot substantiate these remarks, just come clean and stand up and say so.'

Now, I would support what the hon. member for Ramsey, Mr Singer, said: that if it is true, fine, but let us get to the bottom of it and let us get to the bottom of it speedily, because for all the time that is being lost that company is being damaged, and it does not matter which of the companies that by innuendo have been mentioned in this Court - and there have been a number of them. One can read back through *Hansard* and see a number of companies have been tainted by unsubstantiated allegations. Now, if they can be substantiated, fine. I will be the first to stand there with them -

**Mr Karran:** State them!

**Mrs Crowe:** - but -

**Mr Karran:** State them!

**Mrs Crowe:** Tainted!

**The Speaker:** Hon. member!

**Mr Karran:** State them!

**Mrs Crowe:** Mr Speaker, I will support the hon. member for South Douglas Mr Cretney's amendment, because I think it is essential that when dealing with businesses on this Island they can have some kind of confidence in the national government and we need a speedy resolution to this matter.

**The Speaker:** Hon. members, I call on the hon. member for Douglas South, Mr Cretney, to reply to his amendment.

**Mr Cretney:** No, thank you.

**The Speaker:** I call on the hon. member for Onchan, Mr Karran, to respond to his amendment.

**Mr Karran:** Vainstyr Loayreyder, I will start with the last speaker as far as Mrs Crowe is concerned. I would like the hon. member to actually sustain what she has said as far as the statements I have made, and I would like them to look at what I have said. When we talk about the e-commerce business, I asked about who the beneficial owners were; I did not . . . this is what annoys me in this hon. House -

**Mr Downie:** Get on with it!

**Mr Karran:** You have got to -

**The Speaker:** Hon. member, just sit down, please. Hon. members, the hon. member for Onchan has the right of reply without interruption (**Mr Cannan:** Hear, hear.) and certainly has the right of reply without a member saying 'Get on with it.' Hon. member for Onchan.

**Mr Karran:** I find it exceptionally annoying when I hear the likes of the hon. member, who is the most classic case in this hon. House of the medical condition that seems to be in here of 'shirveishaghitis' - ministerial disease. I try to be fair; the questions I have asked in this House about the International Business School - we were told in this House that it was a private sector initiative. I proved that that was not the case as far as the majority of the money was concerned.

**The Speaker:** Hon. member, could I ask you to sit down, please? The matter before us is straightforward. I have asked other members not to interject when you are speaking. I would also ask you, please, to keep your eye on the rabbit - in other words, respond to the debate (**A Member:** Hear, hear.) without broadening it out. I understand that the members have raised issues and that is fine, but I would ask you, in responding, to keep it as neat as possible.

**Mr Karran:** Okay, sir. Mr Speaker, that is fair enough, but they have made these allegations and there was proof that I was right.

Mr Shimmin says within this House about the issues if it was one of his family members. I would totally agree with him. If this had been a member of his family, I think he would not have been very pleased with the way that his political colleague has acted over this issue. What he has tried to do by going about it this way is force people to go to ground like the individual that was at my house at 11 o'clock on Monday night in a bit of a state, especially when I get a phone call from the member on my answerphone saying: 'You are lucky - you could have been sued but I put this motion down to save you, Peter.' when he knows that that is not the truth with the fact that these statements were made in this House. This is the sort of thing which members of this hon. House should be very worried about. They do not want the truth; what they want to try and do is hope that people will go to ground and you are left to carry the baby; that is all they are interested in.

Mr Quine is quite right: what we are seeing today is a new dimension of how we have already got this total imbalance as far as parliament over executive in this hon. House, and what we have seen today is a new form of intimidation. It will not intimidate me. What it means is one has to be a little bit more careful and more having to accept that we do not live in such a free state as some would try to make out. But I will not be intimidated by the executive boot boys coming in heavy, trying to frighten off people outside this hon. House, and what really upsets me is the way that the executive has all the power, all the facilities, all the civil servants to back them up. I am very disappointed today and Mr Quine is quite right: there will be an executive party line as far as this motion is today.

**A Member:** No, not at all.

**Mr Karran:** There will be an executive party line on this today. What I wanted to do - and I said that I was quite happy to substantiate what I have said to yourself and you could report at the next sitting of this hon. House and you have the amendment in my name. If you have got nothing to hide then, as Mr Quine said, you should support my amendment. I will do what Mr

Cretney says anyway without having this situation that once again the executive is putting the boot in and we have got to do it because of the executive. I would do it as an hon. member.

We had the Chief Minister here today and he said about the vote. Now, as far as the vote is concerned, it will be interesting to see how they vote and, I have to be honest with you, I think that my colleague has sent them a lifeline today because it will muddy the waters a bit, Mr Cretney's proposal, but they would have had to vote for my amendment because Mr Cretney's amendment I was prepared to do anyway.

**Mr Crowe:** Why didn't you?

**Mr Houghton:** When Mr Bell asked you.

**The Speaker:** Hon. members, please! Hon. member, keep on the debate.

**Mr Karran:** As far as the statements from the hon. member, the Chief Minister, it depends what you take out of the press, and when you work out that they do get six pages - or is it four pages they get? - every week, it is not the sort of thing to go and get upset too much about, but I do think that we have to remember that there are things that are too hot to handle even for our press on this Island.

As for Mr Braidwood, I find it rather disappointing that as a minister, if he had a broken-down van in his department it would have to be put out to public tender and more likely advertised, like most other things, and all I wanted to know was why the criteria was different for such a substantial asset that belongs to the taxpayer, really, but we see the blur as far as that is concerned. The issue that was brought up was the way it was done and the lack of transparency, and I would say to the hon. member, if he wants real transparency, support my amendment and I will get the people to come and see Mr Speaker who have made the allegations to me, and I will be happy to do so. And I just hope that the hon. member, who I thought was quite intelligent, could not allow this ministerial blur to forget that that was an important point, that it is about the way things are disposed of and must be seen to be disposed of, and I think it is very disappointing that that is yet another slur the other way.

As far as my hon. colleague here, Mr Earnshaw, is concerned, I believe that he has done that with the best of intentions as far as seconding the amendment by Mr Cretney.

I have to say that the member for Ramsey is quite right: I have not replied to his letter. I had a beautiful reply, but I actually almost had the situation of photocopies of certain cheques in order to prove what I had said as far as certain things and I am still waiting for that proof to be given to me, but when this came on the thing and we had this fear factor, people outside this House were saying: 'Peter, be careful.' I live in the Isle of Man; I do not live on the other side of the Iron Curtain and I will not be intimidated. (*Interjection*) People have said to me: 'Oh, be careful Peter. You must be careful.' I know a friend of mine of Italian extraction said many years ago, and we were talking about the Mafia funnily enough (*Laughter*), and he said - and this is why we have got to stop this because it is relevant to this debate - the difference between the Mafia in the Isle of Man and in Italy is that they shoot you but they leave your family with your assets; in the Isle of Man they try and worm you into a legal position so they strip you and destroy the future of your family. He says they are much more pleasant in Italy than they would be in the Isle of Man because you have never got big enough pockets or deep enough pockets to take them on, and this is what the danger is in this hon. House today: what we having today is trying to silence parliamentary questions and, if there was nothing to hide, the hon. member for Ramsey would support my amendment.

Support my amendment. I will make the statement to the Speaker, I have got no problems with that, and I would say that he mentioned, if I remember rightly, about red herrings. I would say that this device today is a red herring because they think that they have got the people to go to ground. I still believe that that is not the case, and I find it rather offensive because of the way

that it has been made out that I am some sort of person that says these things that are not the truth. I think that is very sad in my opinion.

Mr Cannan has said, 'Are you absolutely certain about your comments?' Well, I have to say I believe I have not misled this House, and if I have misled this House I will go through the proper function of informing you, Mr Speaker, as far as that issue is concerned and then you can make a statement to this House -

**Mr Crowe:** It is so wrong.

**Mr Karran:** - and that is the right way it should be done, not the way it has been done today where you get the message on the answerphone: 'I have saved you from being sued. I have put a motion on the order paper.' How do you think people outside this House feel? If that is not intimidation, what is intimidation? No wonder people are frightened to come forward, and I was hoping I could come forward and get the individuals to talk to you, but this is going to be a problem now.

So as far as Mr Cannan is concerned, I sincerely believe what I have said will be proven to this hon. House and if people are questioning my integrity, which I think seems to be almost an art form in this hon. House, at the present time because I do ask awkward questions, then it is a sad day for democracy.

Mrs Cannell, the hon. member for East Douglas - I appreciate her support and I appreciate her history, but we must stand up and we must not allow the executive to use the bully-boy tactics that do affect not just in this House but outside this House. We must not allow them to terrorise people outside this House as they have done at this present time. What was in the paper - I have never seen such a reaction of people on to me, people saying: 'Oh, be careful,' anonymously saying different things as well about 'You must be careful.' We have got to get rid of that perception from this House. That perception is so strong outside this House it is frightening.

I would hope that the hon. member would try and get my investigation on the Public Accounts Committee and if that fails then, fair enough, support the hon. member for South Douglas if you want, but I was quite happy to do that anyway.

The hon. member for Ramsey spoke about the private sector and the issue that we have got to protect the private sector. I agree with him, but we have got to make sure of rights, from the ordinary man in the street to the members of this House. People have not just got freedoms, they have responsibilities (**Mrs Crowe and Another Member:** Hear, hear.), and I suggest that when we hear the hon. member for Rushen shouting 'Hear, hear,' she has a responsibility also to look from both sides of an argument, which quite frankly frightens me at the moment, frightens me as a government minister, the way things have reduced in this hon. House as a senior member of parliament, not, as the hon. member for Ramsey says, a senior member of government. Government and parliament are separate identities and what I would say just on that point to the hon. member for Ramsey is that this today is not a device for parliament, this is a device by the executive to try and silence me -

**Mr Bell:** Rubbish! Absolute nonsense!

**Mrs Crowe:** Absolutely not!

**Mr Karran:** - and try and intimidate the newer members with, 'Do not go down the road with this.' It is bad enough, the standard joke of being known as the Chief Rabbi and that I have had more passovers for ministerial appointment. (*Interjections*) That would be bad enough. We have already seen in another place today what members have said about pay and pensions without now this new threat of this new device that has been brought in by the executive to try and put more control on what is said and done in this hon. House.

I hope Mr Singer, the hon. member for Ramsey, will support my amendment. If they have got nothing to hide on the public accounts, then support my amendment and then I will assure the hon. member that I will have a meeting with Mr Speaker whether Mr Cretney's amendment goes through anyway, and I will have hopefully people who will come and, if they will not substantiate what they have said to me to Mr Speaker, then I will make a full retraction of that at the next sitting of this hon. House how it should be done, not the new way now.

I would just like to say one last thing as far as the hon. member for Garff is concerned. I actually thought that his input was very good, but I have to say that he has forgotten one thing: you do not deal with it on the front page of a paper or you do not have the mover telling the hon. member that 'You are lucky, you could be sued, I have put this motion down.' I think I have still got it on my answering machine so that is something that will not disappear.

**Mr Downie:** It is on mine too.

**Mr Karran:** How is it on yours?

**Mr Downie:** Because I did double the code.

**Mr Karran:** Oh, did you? Well, that is very nice. You can then bring it forward.

**The Speaker:** Hon. members, it has been a long day; can we please just continue concentrating on the issue?

**Mr Karran:** Vainstyr Loayreyder, I would hope that this hon. House will support my amendment, which is not done as a defensive move. I have made allegations or accusations within that but I have asked are they true? Or, questions or whatever. I would like them to be followed up.

I hope hon. members will take this vote very seriously because it has very big implications on the free speech and the democratic process as far as this House is concerned. Many have said outside this House we are already on the road to a banana republic and I would hope that that will not be something that people will see further by the actions of this House, this new-flung idea that has come from a minister and discussed at the end with ministers. We will see where they vote and that will answer the question. I hope this hon. House will support the amendment in my name and I will be more than happy - if you want to do Mr Cretney's proposal, fair enough - to do that anyway, that is the right way, in my opinion; this is the wrong way to do it, and this way has been done to try and intimidate people, not just in this House but outside this House not to come forward.

**The Speaker:** Hon. member for Douglas West, Mr Downie, to respond to the debate.

**Mr Downie:** Yes, thank you, Mr Speaker. I just want to make reference to a comment that the hon. member for Onchan made that we are already on the road to a banana republic. I think this just about sums up his behaviour over the last few months and I think that should be taken into the proper context. The reason why I brought this matter before the House: I sought advice from the Secretary to the House, there were a number of options available to me as a member of this House, and the reason why I put the motion in a certain way, or in the way that I have, was that Mr Speaker is already a member of this committee and, along with other members, there was an opportunity for them to investigate the matter and report back to the House.

Now, this is not a kangaroo court; this is not an opportunity to hear evidence. The idea of putting it to the committee was for the committee to investigate the issues that appear in the motion and then, after they had made their deliberations about abuse of procedure of the House or a breach of standing orders, to report - straightforward, no strings attached. Then, dependent on the outcome, I may have had egg on my face, the hon. member for Onchan may have had egg on his face, but until we get to the bottom of this issue and we actually hear the outcome of this evidence, I do not really think we are going to go very far.

I would be perfectly happy if members supported the amendment from the hon. member for Douglas South, Mr Cretney, because it gives an opportunity for the Speaker to sit on an impartial basis and to hear the evidence, and he can bring both sides then and get legal advice if he can, and then he can get back to us with a proper answer.

We have had a lot of allegations today: 'Those who hide behind the law have something to hide from'; a lot of diatribe again from the hon. member for Onchan. I have no axe to grind on this either, because I can stand up here and say I personally have not been involved in the progression of this film studio, but it hurts me, as a minister in this government and a member of this House, when people make allegations which to date have been unfounded and ones which damage the business community in general and individuals and families in particular. I do not think that this is the way that this assembly should behave. There are rules governing members' behaviour and it has become apparent to me over the last few months that these rules are not working and, like in other parliamentary assemblies, they need to be amended and brought into line. I think it is absolutely criminal that a supplementary question can be asked in the form of a statement which is both vexatious and derogatory and, before anybody realises what has been said, it has gone out over the airwaves and that damage has been done. That is an issue that I will be taking up with particular committee. We should have a privileges committee, and the hon. member who makes these statements on a regular basis has been pushing for some time for a privileges committee. This could deal with pecuniary interest, all sorts of other issues which modern parliaments deal with, and I think that is a way forward, really, and I would like to see some proper rules that we can adhere to. Thankfully it is a rarity in this House that someone makes a statement which is defamatory or is malicious. It does not happen on a very regular basis. Most members adhere to a code of practice and I think most members by and large are very well behaved, but there are exceptions and, in the heat of the moment, exceptions do happen but, as been said throughout the debate, this is happening on a regular basis and it really needs to be resolved.

Now, Mrs Hannan seconded Mr Karran's amendment. She wanted to see the matter investigated; she believed that freedom of speech must be protected. Questions being fobbed off - well, I am not aware of any questions being fobbed off during debates. It would be nice to know what a particular question really or a supplementary was about, because some of them have been so wide of the mark that those answering them just have not got a clue sometimes where they are actually coming from.

I am quite surprised with Mrs Hannan, because I always identified her with one who was very much in favour of human rights and one who was very much in favour of the underdog, and that has always been the way in which she has set out her particular rôle in parliament.

**Mrs Hannan:** It depends which way you are looking.

**Mr Downie:** I believe that the actions that the hon. member for Onchan has taken recently could possibly go all the way to the Court of Human Rights, because the way we operate at the moment, I think, is in breach of human rights, because the people who are being offended against have no redress at all and I think this is an issue that really needs to be looked at. I am all in favour of privilege; I am all in favour of having your say in the parliament but once you start hurting people outside and their families and they have no redress -

**Mrs Hannan:** A point of order, Mr Speaker. Is this the same man that attacked me on a number of issues to do with the Department of Education? Is this the same person?

**The Speaker:** I am not sure that is a point of order.

**Mr Downie:** It is the same person, but he attacked policies; he did not attack people personally.

**Mrs Hannan:** Yes, you did.

**The Speaker:** Hon. member, could we move on?

**Mr Downie:** Mr Shimmin - I think he made a very good contribution. His issue was straightforward.

Mr Quine was unhappy to see the motion on the order paper but I think that, in fairness, I am as entitled as anyone else is to put a motion down before this House. In my opinion it did comply. I felt that it was unfair originally for the Speaker to have to look and arbitrate in this matter, and one of the reasons I selected it to go in its present form was that this particular committee could look at the issue. It is an issue that falls within their remit and they could have had a report prepared and recommendations to come back to the House and we would not have had all this diatribe and nonsense and allegations of kangaroo court. It is not my job to try anyone in this court. All I was trying to do was to push it on to the committee. The committee can hear the evidence and the committee can then make their report.

Now then, Mr Braidwood's contribution - he alluded to comments that were made even the other day about the Ramsey post office.

Mr Cretney's amendment - now, I can support Mr Cretney's amendment because I think it will do one thing: it will bring the allegations out into the open. The hon. member will be required to substantiate them and it will also, I would hope, give an opportunity for those who are in the business of running and organising the film studio to come and present their evidence.

Mr Bell, was quite right: a lot of people have been damaged by these allegations and I would have thought that, as the Treasury minister, if he had written to the hon. member for Onchan for his evidence, there should have been something forthcoming by now, bearing in mind the length of time these allegations have been made. He is quite right that with privilege does come responsibility, and I agree with him that privilege should not be used to cause damage to individuals or businesses. We need government with integrity.

I could go on, hon. members, but I honestly feel that the motion itself has had a good hearing. All the angles have been well and truly covered. I am quite prepared to support Mr Cretney's amendment. Mr Karran's amendment is just beyond belief, and if the public accounts committee or anybody else want to look into this issue, they are more than capable of doing that at any time. The member himself is on this particular committee, but let us get the allegations out first and let us see if there is anything to hide.

With that, Mr Speaker, as I say, I am prepared to support Mr Cretney's amendment. I think we should get on with it now. There has been enough said.

**The Speaker:** Hon. members, we have a motion before us in the name of the hon. member for Douglas West, Mr Downie. To that I have two amendments. I intend to put the first amendment that was put forward first, which is the amendment in the name of the hon. member for Onchan, Mr Karran. All those in favour say aye; against, no. The noes have it.

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

*In the Keys -*

*For: Mrs Hannan and Mr Karran - 2*

*Against: Messrs Anderson, Cannan, Quine, Rodan,*

*Quayle, Rimington, Gill, Mrs Crowe, Messrs Houghton, Henderson, Cretney, Duggan, Braidwood, Mrs Cannell, Messrs Downie, Shimmin, Bell, Singer, Corkill, Earnshaw, Gelling and the Speaker*  
*- 21*

**The Speaker:** Hon. members, that amendment fails to carry with 2 votes for and 22 votes against.

I now put the amendment in the name of the hon. member for Douglas South, Mr Cretney. All those in favour say aye; against, no. The ayes have it.

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

*In the Keys:*

*For: Messrs Anderson, Quine, Quayle, Rimington, Gill,*

*Mrs Crowe, Messrs Houghton, Henderson, Cretney, Duggan, Braidwood, Mrs Cannell, Messrs Downie, Shimmin, Mrs Hannan, Messrs Bell, Singer, Corkill, Earnshaw, Gelling and the Speaker*  
*- 21*

*Against: Cannan, Rodan and Karran - 3*

**The Speaker:** Hon. members, that amendment carries with 21 votes for and 3 votes against.

I now put the motion as amended. All those in favour say aye; against, no. The ayes have it. The ayes have it.

Now, hon. members, that concludes the business before the House. Just to give some indication to hon. members, it will be my endeavour to comply with the motion that has just been passed to deal with this matter as speedily as possible, because I believe it is in everybody's interest as well as the public's. (**Mrs Crowe:** Hear, hear.) I would therefore ask hon. members to keep their Tuesday mornings free. It is my intention to endeavour to deal with this matter before the end of the month. If it is longer than that members will be advised.

Hon. members, can I, just before winding up, thank our Secretary, messengers and Hansard clerks for three long days looking after us well (**Members:** Hear, hear.) and also, whilst we go into our legislative recess, I do know that hon. members have not only governmental duties to carry out but also parliamentary duties. I hope that you all get a break at some time during the summer months and I wish you a reasonable and happy summer.

The House will now stand adjourned until 15th October 2002 at 10.30 a.m. in Tynwald Court, subject to my recalling the House for the matter that has been before us today. Thank you, hon. members.

*The House adjourned at 6.36 p.m.*