

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

**Douglas, Tuesday, Tuesday, 4th March 2003
at 10.00 a.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); Mr J R Houghton and Mr 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. J P Shimmin (Douglas West); Capt. A C Douglas (Malew and Santon); Hon. J Rimington, Mr Q B Gill and Hon. P M Crowe (Rushen); with Mr M Cornwell-Kelly, Secretary of the House.

The Chaplain took the prayers.

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Leave of Absence Granted

The Speaker: Hon. members, I have given leave of absence to the hon. member for Douglas West, Mr Downie, for today's sitting.

Expression of Sympathy to Mr John Crooks, Messenger of the House

The Speaker: I am sure I extend the condolences of all the House to John, our messenger, and his wife on the passing of their son.

Members: Hear, hear.

Questions were taken at this point and concluded at 10.44 a.m. They are published separately.

Legislative Council – Members Elected

The Speaker: Now, hon. members, we move on to item 3, the next item on our order paper. This is to elect four members to the Legislative Council to serve for terms of five years, expiring on 29th February 2008. In accordance with the statutory requirements in section 2 of the Isle of Man Constitution (Elections to Council) Act 1971, the Secretary of the House called for nominations on 6th February to be made, and those on your order paper resulted. All nominations were accompanied by the required statements of qualifications and reasons in support and were circulated to hon. members by the Secretary on 21st February, as also required by the Act. The sitting of the House today takes place no sooner than 10 days after the close of nominations.

Now, hon. members, before we proceed I would advise that the text of standing order 209, which applies to this election, is regrettably in need of revision. Standing order 209, as it is written, was meant for the time when nominations could be made from the floor of the House. That, of course, is not now possible and it would serve no purpose to adhere literally to the order's terms, as regards the ballot paper to be used this morning. I have therefore asked the Secretary to prepare ballot papers showing simply the names of the only candidates upon whom the House may now vote.

Under the Act a successful candidate needs not less than 13 votes in his or her favour. If it happens that the candidate obtains a majority of the votes of members present and voting, but the total is not at least 13 votes, then standing order 209(1)(1) allows a second round of voting.

In the second round, a total of 13 votes is still needed for the candidates or candidate to be elected, just as in the first round. Failing a candidate obtaining 13 votes in the second round of voting, then I will call for fresh nominations to be made by 5 p.m. on 7th March. There will then be a further ballot at the special sitting of the House, which I have called, which is to take place before the March Tynwald sitting in our own chamber at 9.45 a.m. on 18th March.

Finally, for the avoidance of doubt, I would advise that standing order 209(a) provides that only the proposer and the seconder shall speak to a nomination. I intend to invite each candidate to be nominated in order that they appear on today's order paper.

Now, hon. members, I call on the hon. member for Rushen, Mr Rimington, to speak to his nomination of Mrs Clare Margaret Christian.

Mr Rimington: Thank you, Mr Speaker. I rise to nominate Mrs Clare Margaret Christian for election to the Legislative Council. I will be brief in my nomination, as I believe all hon. members have the knowledge of her qualifications and experience which make her suited to fulfil this position on behalf of the people of the Isle of Man.

Some years before my election to this House, I was a commissioner member of a body called the 'Southern Authorities Healthcare Trust'. Mrs Christian and her officers came to our meeting to discuss the service provision plans for the new southern healthcare facility. This was my first working contact with a government minister. I was deeply impressed by her knowledge of the issues and her willingness to listen and discuss.

Since my election to this House, that first favourable impression has been confirmed to me time and time again: as the Minister for the Department of Health and Social Security; as a member of the Legislative Council; as a member of Tynwald and as a hardworking member of the Council of Ministers. I cannot think of any other member of Tynwald who could have run the Department of Health and Social Security, which is our largest employer and multiple service provider, with the same degree of skill, knowledge and dedication as Mrs Christian. On top of this – a difficult, socially sensitive and sometimes controversial department – she has had to be responsible for building the new hospital, which has been one of our largest capital projects.

Mr Speaker, I believe hon. members will welcome this opportunity to re-elect Mrs Christian to the Legislative Council.

The Speaker: I call on the hon. member for Rushen, Mr Gill.

Mr Gill: Thank you, Vainstyr Loayreyder. I rise to second Mrs Christian's nomination. During my time in this House and in another place I have been constantly and deeply impressed by Mrs Christian's abilities and qualities. I am not surprised by this, as previously I had worked as a social worker in the DHSS social services division. Throughout that division and, indeed, throughout that department, Mrs Christian is recognised and valued as a minister with a sound grasp of the departmental brief, as well as a proven ability to progress matters both within parliament and the wider political arena.

Mr Speaker, I regard it as a great honour to be able to second this nomination, Mrs Clare Christian, for re-election to the Legislative Council.

The Speaker: Now then, hon. members, I call on the hon. member for Onchan, Mr Corkill, to speak to the nomination of Mrs Pamela Mavis Crowe.

Mr Corkill: Mr Speaker, it is my privilege today to nominate Mrs Pam Crowe MHK – someone who is well-known in our community, not just because of her political career to date but because of her long-term, indeed lifelong, commitment to the business and social life of our Island. Mrs Crowe is enthusiastic and direct in the way that she, as minister, has been dealing with the difficult responsibilities placed upon her at the Department of Local Government and the Environment.

The hon. member for Rushen, Mrs Crowe, has my admiration in the way that she has confronted a number of difficult issues within her department, the result being a new focus of attention on waste management issues and, importantly, a proper focus on the delivery of affordable housing. Pam Crowe is steeped in public service and, in conversation with her, I know that she will continue to serve Tynwald Court in whichever way is put her way. This ethos supports the interests of the people of the Isle of Man and is not directed at personal, political career advancement. In a small parliamentary structure, such as ours, I personally find it most encouraging that an hon. member such as Mrs Pam Crowe, a member for Rushen, is so willing to serve Tynwald in whatever way she can and in whichever way she is asked. This flexibility is essential in the way that we run our structures of government.

Hon. members have a curriculum vitae in which we can see that Mrs Crowe has been returned to the House of Keys by the people of Rushen on two occasions, and she has had a wide rôle within Tynwald and, indeed, executive government. My view of the Legislative Council is that it should be a body of people who scrutinise but respect the House of Keys' decisions and I believe Mrs Crowe would fulfil that rôle without fear or favour. As a member of this House she understands our purpose here. Mrs Crowe's ability to uncover and scrutinise and, if she is successful at election today, those qualities, I believe, will be an advantage to the House of Keys, but in another place. So I am very pleased and I beg to nominate Pamela Mavis Crowe in this election, sir.

The Speaker: Hon. member for Douglas North, Mr Houghton.

Mr Houghton: Thank you, Mr Speaker. I support the hon. Chief Minister's views entirely by seconding the nomination of Mrs Crowe to the Legislative Council. Mrs Crowe has always had my deep admiration for the sterling work that I have seen that she has undertaken in the Department of Local Government and Environment. Mrs Crowe is always a person of extreme high integrity. She will, if she is elected to the Legislative Council, be a loss to this House but she will, if elected – and I do hope she is this morning – bring her intellectual abilities with

quality and maturity to the upper House, to their credit. Thank you, sir.

The Speaker: Hon. members, I now call on the hon. member for Douglas West, Mr Shimmin, to speak to his nomination of Mr John Raymond Kniveton. Mr Shimmin.

Mr Shimmin: Mr Speaker, it gives me the greatest of pleasure to nominate Mr John Raymond Kniveton as candidate for election to the Legislative Council. I have previously circulated a copy of Mr Kniveton's curriculum vitae and feel confident that all hon. members have a clear knowledge of his rôle as a parliamentarian, having been elected in March 1994 as MHK for Onchan and subsequently as an MLC in March 1998.

I should like this opportunity to advise members of my experience of working alongside Ray since my appointment as Minister of DoT in December 2001. Ray was the continuity in the department, having served as a member since 1995. His experience and support was absolutely invaluable during this period of substantial transition. He has maintained his responsibilities for harbours, airport, drainage and IRIS, and the staff and I respect and admire his rôle in those areas. He quietly gets on with the work in hand, attending the fourth highest number of divisional and departmental meetings of all members of Tynwald. His work involves regular meetings outside of formal timetables, a task which he does with energy and enthusiasm. He is liked and respected by staff in all areas of the department and is a familiar point of contact to them all, and his experience has resulted in many problems being quietly and efficiently resolved, a fact which is often overlooked by some, but is greatly appreciated by myself and staff.

Mr Kniveton combines the skills he learnt as a successful businessman, experience of being both an MHK and an MLC and a genuine desire to help the people in the community. He has a strong work ethic and is an excellent team player, with the drive to achieve results. He is strong and expresses opinions forcefully when required, but most issues are resolved by negotiation and good personal skills. He has considerable motivation to see through the workings within the department, but more importantly, within the parliament of this Island. He still believes, as I do, that he has much to offer and to contribute to our workings. Mr Speaker, I have no hesitation in recommending him wholeheartedly as an ideal candidate for re-election and hope that members will offer him their support.

The Speaker: Hon. member for Rushen, Mr Gill.

Mr Gill: Thank you, Mr Speaker. Again I rise to second Mr Kniveton's nomination. Whilst I have only known Mr Kniveton personally since the

general election, I have since and always found him to be supportive, knowledgeable and extremely approachable. Furthermore, I know he is very highly regarded throughout the Department of Transport and generally throughout the public service, where his qualities of fairness, hard work and good humour are recognised and valued. Mr Speaker, I have pleasure in seconding the nomination of Mr Ray Kniveton for re-election to Legislative Council.

The Speaker: Hon. members, I call upon the hon. member for Onchan, Mr Karran, to speak to his nomination of Mr Edmund George Lowey.

Mr Karran: Vainstyr Loayreyder, in proposing Eddie Lowey for a further term in the Legislative Council, I do so with the confidence that he will be an asset to that chamber, he will be a net contributor to Tynwald and to the political scene in general, and will continue to serve the people of the Isle of Man. Eddie Lowey is the longest continuous serving member of Tynwald – nearly 30 years. That experience can be harnessed in the pursuance of good governance. He is never afraid to speak out on social issues; he shoulders his share of parliamentary work; he works well with people at department level, on committees; he is a practical politician who likes to achieve and make things happen.

Eddie's work in the Commonwealth Parliamentary Association is well respected throughout the Commonwealth and I have already referred to this in his curriculum vitae that I issued earlier. His record of public service bears any examination. People of the whole Island know him, respect him and there is respect that he has earned over the years for his public service. You know that if you support his candidature, you are getting a hardworking, capable, experienced and caring member of the Legislative Council. I believe this combination is what the House requires and the people of the Isle of Man expect that we can deliver. I believe Eddie Lowey has earned the confidence and I hope that hon. members in this hon. House will support his nomination.

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

Mrs Crowe: Thank you, Mr Speaker. Edmund George Lowey – Eddie to all – has been a member of parliament since 1975 and I am proud to say that I have been a friend of Eddie's since that time, almost to the day in fact. Eddie has been a minister, a board member, a department member of numerous arms of government, and I know that he would have played his part in full in all of them as, indeed, he is doing today not only with his membership of the tourism department but also his membership of the Department of Local Government and the Environment, where I can only say he has been invaluable.

Eddie's work in the Commonwealth Parliamentary Association is well known to all around the world who respect him, but also he brings respect to our parliament through the very hardworking nature that he adopts within that association, and indeed within our own parliament, of nurturing the younger members and bringing through his

experience to them. Mr Speaker, I feel honoured to second Edmund George Lowey.

The Speaker: Hon. members, I call upon the hon. member for Garff, Mr Rodan, to speak to his nomination of Mr Leonard Ian Singer.

Mr Rodan: Mr Speaker, it is with pleasure that I nominate as a candidate for the elections to the Legislative Council the hon. member for Ramsey, Mr Leonard Ian Singer.

Since 1996, Leonard has proved to be a most effective representative for his constituency. In six years in this House, he has made a significant contribution to parliamentary life and the work of this place. I believe evidence of this can be found in his use of legislative and parliamentary procedures to carry forward issues that have arisen directly out of his constituency work with people. For example, he has identified what were gaps in legislation in such areas as body piercing, collection of litter and the sale of substances to underage persons, like tobacco. I think this demonstrates a knowledge and an expertise that will be important for performing effectively the rôles of critical scrutiny and revision, which are the prime rôles of the Legislative Council.

To this parliamentary ability, Leonard also adds valuable experience in public service, first as a councillor in the adjacent island and, more lately and in recent years, service on the local authority of Ramsey and as a member for Ramsey and on government departments. Leonard is ready and equipped to play a full part in the work of Tynwald Court and in government, and I warmly recommend him to the members of this hon. House.

The Speaker: Hon. member for Glenfaba, Mr Anderson.

Mr Anderson: Mr Speaker, I rise to second the nomination of Mr Leonard Singer. The hon. proposer has adequately spoken of Mr Singer's virtues, and in the short time I have been in the House I have witnessed his enthusiasm in representing his constituents. I think he would make an excellent addition to Legislative Council and I think, Mr Speaker, it is appropriate that people of Mr Singer's experience should allow their names to go forward to maintain the integrity of the Legislative Council. I have pleasure in seconding Mr Singer's nomination.

The Speaker: Now then, hon. members, all five nominations have now been put before the House. I will now ask the Secretary to the House to have ballot papers circulated for voting.

I would just remind hon. members, that under standing order 209(g), hon. members can vote for any number of candidates up to the maximum number of four. Hon. member for Peel.

Mrs Hannan: On a point of standing orders or whatever, Vainstyr Loayreyder, why are we voting for or against?

The Speaker: I would say to hon. members if you just wish to vote 'for', indicate that by either a cross or a tick. I do not think it is necessary for members to indicate 'against'.

I would advise hon. members that the ballot papers are of the format that has been used before in these elections, but I do take the point the hon. member for Peel has raised and certainly I will ask the Secretary to look at that.

I call on the hon. member for Malew and Santon and the hon. member for Peel to act as tellers, please.

A ballot took place.

The Speaker: Hon. members, the result of the ballot is as follows: Mrs Christian, 10 votes; Mrs Crowe, 10 votes; Mr Kniveton, 9 votes; Mr Lowey, 12 votes and Mr Singer, 13 votes. Therefore, hon. members, the hon. member for Ramsey, Mr Singer, has been duly elected as a member of the Legislative Council.

Only one member has got a majority of the votes of those present and voting. We will therefore re-ballot on the name of the hon. member Mr Lowey. So ballot papers will be circulated.

Right, hon. members, if I can just make it absolutely clear: the *only* name you are voting for is in relation to the name of Mr Lowey. Okay, hon. members? The same tellers will carry out the function, please.

A second ballot took place.

The Speaker: Right, hon. members, the result of the voting in relation to Mr Lowey is as follows: Mr Lowey has received 15 votes, and there were 8 spoilt papers.

Therefore, hon. members, I declare that Mr Leonard Ian Singer and Mr Edmund George Lowey have been duly elected to the Legislative Council and, subject to the necessary formalities being completed, they will sit at the forthcoming session of Tynwald in March.

Hon. members, I will also, subject to that, notify the Lieutenant-Governor, pursuant of section 5 of the Representation of the People Act 1995, in relation to the election of Mr Leonard Ian Singer, so that a writ can be issued in relation to a by-election.

Now, hon. members, as you are aware, the House has not elected two members to the Legislative Council in accordance with the statutory requirements in section 2 of the Isle of Man Constitution (Elections to Council) Act 1971, and I must therefore call for fresh nominations to be made, in the terms which the Act requires, to the Secretary of the House by 5 p.m. on Friday, 7th March. The nominations must be by a member of the House, be in writing and be supported by a statement of the candidate's qualifications and experience and the reasons why the proposer considers that the candidate would be suitable to be elected to the Legislative Council. A person nominated need not be a member of the House. The election following those nominations must take place not less than 10 days later, and it will therefore be on the order paper

for the special sitting of the House on 18th March. Thank you, hon. members; that concludes the election to the Legislative Council. Hon. member for Rushen, Mr Rimington.

Mr Rimington: A point of clarity, really – perhaps I have failed to read these as accurately and as carefully as I should have done. I felt that after this previous round of balloting on a member who had a majority of votes of those present, but not the 13 votes, that – and perhaps I am wrong – you then proceeded to section 13 of the guidance that was given, which was 'subsequent ballots'. Then one eliminated the member of the lowest number and carried on thereafter, but –

The Speaker: Clearly an important point, hon. member, and I call on the Secretary of the House to clarify the issue.

The Secretary: Mr Speaker, the standing orders are so drafted and the Act is so drafted to require that if a member goes to a second-round ballot that member must have received a majority of the votes of those present and voting of the first round. That was the case only in respect of Mr Lowey.

The Speaker: Okay, hon. members? The hon. member for Rushen, do you wish to seek any further clarification?

Mr Rimington: No.

The Speaker: Thank you, hon. members.

Income Tax Bill – Second Reading Approved

The Speaker: Now, hon. members, we move on to the next item of business on our order paper and it is 'Bills for Second Reading'. I call on the hon. member for Ramsey, Mr Bell – Income Tax Bill.

Mr Bell: Mr Speaker, the Income Tax Bill 2003 is divided into four parts. These are: the new personal allowance credits; the income tax legislation relating to the protection of information; and legislation which addresses the Island's international obligations in relation to the exchange of information. The fourth part of the Bill makes a number of amendments to existing income tax legislation, some of which are consequential or in relation to the legislation in the first three parts of the Bill. There are also measures to take account of a temporary taxation order approved by Tynwald at the time of the budget in March 2002, and an amendment which addresses the potential avoidance of income tax.

The first part of the Bill comprises clauses 1 to 16 and introduces the new personal allowance

credit. Personal allowance credit payments will be made through the income tax system to certain Manx resident individuals with low incomes. Hon. members should be aware that the personal allowance credit system is not an alternative to the benefit system. It is a means of ensuring that those with low incomes who have not been able to take full advantage of their personal allowances will now receive their entitlement. The credit is under the care and management of the Treasury, and usually will only be granted on receipt of a claim for it, made in the correct manner. To qualify for credit an individual taxpayer must have been resident in the Island for the whole of the year of assessment in respect of which the claim is made, and must have been aged at least 18 at the commencement of that year. In the case of married couples who are jointly assessed, one of the parties to the marriage must have been resident in the Island for the whole of the year of assessment in respect of which the claim is made, and one of the parties must have been at least 18 at the commencement of that year.

There are special rules to address the situation where a claimant dies or where a claimant or claimants marry during a year of assessment or separate during a year of assessment. In the case of the taxpayer who dies, that fact will not deny the taxpayer or his estate the benefit of a claim to which he would have been entitled, had he survived and remained resident for the whole of that tax year.

The rules for couples marrying or separating during the tax year will be specified in regulations. Broadly, the intention is that two parties to the marriage will be treated as individual taxpayers for the year of marriage and the year of separation. If the individual's gross income is £6,000 or less, the credit will be £200. For income between £6,000 and £8,000, there will be a reduction of the credit by £1 for every £10 of gross income in excess of the £6,000 low income point. The credit for a married couple who are jointly assessed is twice that for an individual, and the low income point and upper income point are also twice the figure for an individual. The rate of reduction for income between the low income point and the upper income point remains £1 for every £10 of gross income in excess of the low income point. It is intended to avoid the imposition of the administrative burden of the claims process on that group of taxpayers – approximately 2,500 claimants.

Where the assessor is satisfied that the individual or couple is unlikely to have income in excess of the lower income point and has confirmed in writing that he will not require the submission of a formal income tax return under section 62 of the Income Tax Act of 1970. In these cases the assessor will make an automatic payment of £200 to an individual, or £400 to a married couple. The assessor will be able to issue a revised tax credit notice or to give notice that a claimant is not entitled to receive a credit if he becomes aware that the amount of a credit already calculated is wrong or that a person who has claimed a credit is not qualified to receive it. In this situation, any other payment will be recoverable by the assessor and any underpayment will be paid to the claimant as soon as practicable.

The claim for credit must include the information which will enable the assessor to calculate the entitlement

to credit and, if necessary, the assessor may consult the Department of Health and Social Security in relation to a claimant's entitlement to social security benefits. It is therefore necessary to open a gateway for the DHSS to disclose this information to the assessor. The assessor will issue a notice to a claimant confirming either that a claim is admitted, and in that case incorporating a quantification of a credit to be paid, or indicating that the assessor is satisfied that the claimant is not entitled to the payment.

A claimant who is dissatisfied with the assessor's decision may contest that decision using the normal appeal process. The Treasury will make arrangements for the payment of the credit as soon as practicable after the issue of the tax credit notice. In any case in which there is significant delay in a claim being finalised, the payment will be increased by a supplement which will be the same interest rate as prescribed for repayment supplements.

Hon. members will note that the receipt of a personal allowance credit will not have any adverse effect on that person's position in relation either to income tax or any other statutory purpose, including the calculation of DHSS benefits. The credit will not be taxed and it will not reduce any other entitlement to benefits. If a claimant has any other debts to Treasury in respect of income tax or class 4 contributions then the personal allowance credit payment will be set off against that debt. The gross income to be brought into the calculation of the personal allowance credit includes all income, benefits in kind and similar benefits, all social security benefits, other than attendance allowance and disability living allowance, and all payments of similar benefits paid under the law of a third party jurisdiction.

The personal allowance credit is going to be effective from the year of assessment commencing on 6th April 2003, and the first payment of the credit will be based on the claimant's income for the tax year commencing on 6th April 2002.

Part 2 of this Bill relates to the protection of information. The long-standing rules in section 106 of the Income Tax Act of 1970 have been significantly updated to ensure that, on one hand, confidential information does not fall into the wrong hands, but on the other, that the proper gateways are open to the Assessor of Income Tax to receive information about taxpayers from other bodies on the Island and for the assessor to release taxpayer information to other appropriate bodies.

There is a new clause to replace the original one at section 106. This imposes a duty of confidentiality on every person having an official duty under or in respect of the Income Tax Act and then goes on to set out the precise circumstances in which documents and information can be disclosed. Any disclosure outside the defined terms constitutes an offence against the Act.

Part 3 of this Bill ensures that the Assessor of Income Tax has the statutory authority to exchange information under the terms of those international

agreements which are going to be a developing part of the Island's international taxation responsibilities. There is provision for international information exchange where the Council of Ministers enter into applicable arrangements with governments of any other country, and there are restrictions on the disclosure and use of information received by the Treasury or the assessor from a mutual assistance country, specifically to income tax matters or to purposes permitted under the arrangements. There are also restrictions on the disclosure of information by the Treasury or the assessor to a mutual assistance country on broadly similar terms.

Part 4 of the Bill comprises miscellaneous recommendations. In particular, clause 23 addresses the rate of income tax to be applied to the trading profits of companies. It confirms the Income Tax (Temporary Taxation) (Standard Rate of Tax) (Companies) Order 2001 which was approved by Tynwald at the time of last year's budget. It incorporates the rates of tax and thresholds for the 10 per cent and 15 per cent bands applicable for the tax year 2002-3. Though the section is effective for the income tax year commencing 6th April 2003, hon. members will now be aware that the 2003-4 threshold for the 15 per cent band has been increased to £100 million, so that for companies there is now effectively one rate of 10 per cent on trading profits. The clause also clarifies the fact that non-trading income of companies remains liable to the higher rate of 18 per cent.

Clause 25 amends the treatment of a husband and wife in relation to both assessment entitlement to allowances in the tax year in which they marry, or the tax year in which they separate. It is an amendment which is consequential upon the introduction of the personal allowance credit and provides in simple terms that in the year of marriage and the year of separation the couple are not jointly assessed and in each of those tax years they will be treated as individual taxpayers. In order to ensure that no couple is disadvantaged in the year of marriage, the Assessor of Income Tax will, by concession, permit the effective transfer of unutilised personal allowances from one spouse to another.

Clause 26 supplements the rules in relation to access to confidential information. If anyone falsely assumes the name, designation or character of the assessor or one of his staff in order to obtain admission to premises or to access information improperly, he may be arrested and shall be guilty of an offence.

Clause 27 addresses bribery and collusion affecting any member of Treasury, and also ensures that any person instigating bribery or collusion is guilty of an offence, and clause 28 enables Treasury at its discretion to pay rewards for informants.

This Bill introduces new income tax legislation in relation to three distinct areas of development, as well as tidying up a number of other minor matters in part 4. It introduces the new personal allowance credit to help low-income individuals and married couples. It addresses the issue of confidentiality of information and the gateways which are appropriate for information to flow both into Income Tax Division and out of Income Tax Division. It provides for the international exchange of information to facilitate the Island's new international agreements. It is

therefore providing the legislative support for elements of the developing taxation strategy approved by hon. members in Tynwald last October. Mr Speaker, I beg to move the second reading.

The Speaker: Hon. member for Michael.

Mr Cannan: I beg to second and reserve my remarks.

The Speaker: Thank you. Hon. member for Ayre.

Mr Quine: Yes, I am very supportive, Mr Speaker. I rise really just to make one point. We have had a very good outline from the minister and, talking about the personal allowance credit – I think that is the term we are now using – it is quite clear, having listened to the minister, that there is a great deal of detail involved in all of this. I do not think any of us could be expected to pick that all up here this morning, but we do need to before we reach the clauses stage, and I was just going to appeal to the minister to consider the matter of timing before the Bill comes back for the clauses stage. It is a matter for Mr Speaker, of course, ultimately, but I think members need time to grasp the detail of this particular aspect of the Bill. Whether that is done by way of a circulation and a further briefing, I am not quite sure, but I would invite the minister to consider that. Having listened to him, I think there is no problem at all with the principle – I cannot see this hon. House having any difficulty with the principle – but when you sit here this morning and listen to all the working mechanisms of how this is going to function, for us to take a view in time for the amendment stage that there are no holes, gaps nor anomalies, we need to be able to consider in considerable detail how this is going to function, at least to the best of the minister's ability to put that across to us. I will not make a specific suggestion as to how he approaches that, but I would like to stress that there is a matter of time here, and there is a matter of getting across to us the detail of how this allowance is going to work.

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

Mr Earnshaw: Thank you, Mr Speaker. I have to say I am not completely comfortable with some parts of this Bill, which I think could have been better focused and which could have benefited from greater consultation. At the heart of the Bill is the laudable wish to share some of the Island's success with those who are less well-off and I, along with most members, I would think, am quite happy with this principle. But we have got a budget of £2 million for this project and I am eager to ensure that what is available is used to best effect – that is to say, it ends up in the pockets of those whose need is

the greatest, and I do not think that this is being achieved with the personal allowance credit.

My concerns relate to the fact that although a person must be a resident, there is no requirement for presence on the Island. Neither does there appear to be a need to have been resident on the Island for a certain number of years to qualify – that is to say, you can go straight into the system.

I am also concerned that a benefit such as this should be awarded to those whose income may, out of choice, be less than £8,000 – that is to say, part-time workers or those who choose to travel the world for six months of the year.

My final concern relates to people as young as 18 being eligible for benefit, which will include all those still part of the educational system. I hope that the Treasury minister can give me some satisfactory response to those points, please.

The Speaker: Hon. member for Michael.

Mr Cannan: Mr Speaker, I support this Bill. I support the principles behind it. It is easy to find in the Bill the little negative aspects, and I hear some extraordinary aspects from the last speaker regarding somebody who has travelled the world – if you have got enough money to travel the world you have an income, and you will not be needing to make up this income to then live when you come back from travelling the world. These are little, negative aspects; if you search out any legislation, you will be able to find that somebody somewhere can take advantage. But all legislation in my view should be for the greater good of the greatest number of people, and that, I believe, this Bill achieves.

The Speaker: Hon. member for Peel.

Mrs Hannan: Thank you, Vainstyr Loayreyder. I rise in support of the legislation. There might be downsides to this legislation, but that is up to the Assessor of Income Tax to work out the particular problems that have been mentioned by some of the members speaking to this Bill today. I see this as a major step forward; it is closing that gap. Over the years we have identified people who have never been able to take advantage of budgetary changes – reduction in income tax, reduction in personal allowances, those sort of issues – because they have not been earning enough, and I see this as being a major step forward with the personal tax allowances, and therefore I welcome that part of the Bill. It is something that we have discussed for very many years: how can we help these people who cannot be helped by any other means and who are possibly not actually receiving too much to get any sort of social security benefit? So I do see this as a major step forward.

Regarding some of the concerns of members over the £200, as it is set up at the moment, I think to get round all the issues that have been talked about, it would probably cost them £200 to get to a stage where in some instances they would be able to claim this sort of money. There are people who will go to that sort of length, and maybe accountants will encourage them to do so and spend more in doing so, but I do not think that should be a major

concern, as it is not an amount which you would go to that level for.

With regard to the other areas of the Bill, this is bringing into action some other issues that have been flagged up, and they are issues which have to be dealt with because of people trying to get out of paying income tax over the years – something that we have to take action on.

With regard to assessment of husband and wife jointly or separately, I welcome that because I think that is a judgement that a couple should and could be able to make, and I see that as a major step forward as well. It is something that I have, over the years, raised questions about as to something that can happen and I was told eventually it would. I am pleased to see it in this legislation. So there are issues in this legislation which I consider affect ordinary people, and it is those sorts of issues, Vainstyr Loayreyder, that I welcome. Thank you.

The Speaker: Hon. member for Middle.

Mr Quayle: Thank you, Mr Speaker. I rise to support the Bill. It is something that I asked for about a year ago, and I believe that in the Isle of Man we have only just achieved the same average income per head as the United Kingdom and I felt that we should continue to develop the economy at a steady, sustainable rate of progress so that we can raise the standard of living for all of the people on the Island. I have felt for some considerable time that too many people on the Island have not shared in the Island's undoubted prosperity, and at the last election I mentioned that the next government – this one, in fact – has a duty to address this, so that we avoid divisions in society and prevent any disharmony.

Obviously the Bill is limited in the amount of money that it is allowing to individuals, £200 maximum per person, but it has to be recognised that it is a significant amount of money – £2 million – which is being afforded and deployed in this direction, and I certainly give it wholehearted support.

The Speaker: I call on the hon. member for Ramsey, Mr Bell, to reply to the debate.

Mr Bell: Thank you, Mr Speaker. Generally, I would like to thank all those members who have spoken in support of it, and I am heartened that there is a recognition for the huge amount of work that has been carried out by my officers in Treasury over the last 12 months to identify a mechanism by which we can bring some further assistance to those low-income people who previously have not benefited from the success.

If I could just start in response to Mr Quine, the hon. member for Ayre. Again, I thank him for his support on this and do recognise the point that he has made that there is a lot of detail in this and it is important, I think probably for all members, to fully understand precisely how this process works.

Undoubtedly from time to time, once the measure comes in, we will all, as MHKs, be confronted or approached by our constituents, I am sure, with quick questions about it. So it is important that it is explained in as much detail as we possibly can make it. I understand a number of members were able to attend our presentation last week, at which I think the whole scheme was explained in some detail, but I am more than happy to arrange a second briefing for members.

I am not expecting now to bring forward the clauses stage of this probably until at least 1st April because of Tynwald, and then for one Tuesday or immediately prior to that I am going to be off the Island. So it will probably be 1st April, so there is plenty of time either for Treasury to lay on a fresh presentation, if members would like that, or for individual members to come along to Treasury and for us to take you through it point by point on a one-to-one basis, if members feel that is more appropriate. But I am quite open to any suggestions either way. Clearly we are anxious for members, and indeed the wider public, to fully understand what is implied in what we are doing, so we will give all the help to members we possibly can to help you over any questions you might have.

The only person who seemed opposed to the proposals in the Bill was the hon. member for Onchan, Mr Earnshaw. He has raised two or three points: this will be available for residents on the Island, but who may not be present on the Island. The benefit will be available for people who are resident for tax purposes, and therefore they will need to be on the Island for a specific period of time.

He is concerned about people of 18 being eligible – this was at the direct request of his department, the DHSS, to bring it down to 18 to bring it in line with other benefits so that there is a standard approach. Even though this in itself is not a benefit, it is more effective, I think, for the public to understand if everybody is treated the same. This is why it has been brought down to 18.

The hon. member refers to part-time workers. We do not take into account whether they are part- or full-time; the only concern in this is the overall annual income of the individuals.

Mr Speaker, I did say during my budget presentation that this, certainly in its early stages, is likely to be a fairly blunt, possibly crude, instrument to direct benefit to these low-income groups. I did say that there are likely to be anomalies thrown up during the year in the light of experience, but it is Treasury's intention to review the implementation of this scheme to monitor how it impacts on the very group we are trying to help, and if it is felt that anomalies need to be ironed out at some point in the future then that is the course of action which Treasury will take. The important thing from our point of view, though, is to remove as far as possible the weight of bureaucracy on this to make it easily accessible for those people who need the help, to simplify the whole procedure and enable us to speed up the payment to this section of the community as quickly as we possibly can, and in doing that inevitably we know there will be anomalies. There will be cases, I am sure, where someone will throw up that a millionaire has constructed his income in such a way we will be getting it – there could be all sorts of things thrown up, but I would urge hon. members to remove

your focus away from these anomalies at this stage and look at the wider benefit that we are able to bring to the low-income groups, which each and every one of you, almost on an annual basis, has raised at budget time. Please, hon. members, recognise the fact that we now have found a mechanism to bring assistance to low-income groups, and we can argue about the anomalies and sort out the anomalies at some point in the future. It is the principle, really, which I am asking hon. members to support in this legislation.

I thank Mr Cannan for his support. Again, I thank Mrs Hannan, member for Peel, for her support, and just reiterate some of the points she has made that it is essential that we simplify the system as much as possible to ensure speedy payment to those in need.

Finally, I thank Mr Quayle, hon. member for Middle, for his support. He comments on the fact that in the past many people have not benefited from economic success. I have said on many occasions, and it will remain the policy of Treasury while I am there, that if the wider economic benefit and drive for growth which Treasury is promoting at the moment is to mean anything, it has to bring real tangible benefit to each and every resident on the Isle of Man at all levels (**Mr Cretney:** Hear, hear.) not just the wealthy. It has to permeate down, right down to those on low incomes. If we do not achieve that then I believe our overall economic policy has been a failure. The only reason to go for growth is to bring tangible benefits to our people, and that is one of the drivers behind this particular piece of legislation – to try, at least in a modest way at this stage, to bring some assistance and benefit from that economic growth to those on low incomes.

So, I thank hon. members for their support. Again, just referring back to Mr Quine, I will discuss with him as to what he feels the best way forward, whether members would want another presentation or indeed a one-to-one presentation, and I am more than happy to put it on. So with that, Mr Speaker, I beg to move the second reading of the Income Tax Bill.

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

Litter (Amendment) Bill – Third Reading Approved

The Speaker: Now, hon. members, I call on the hon. member for Ramsey, Mr Singer, for the third reading of the Litter (Amendment) Bill.

Mr Singer: Thank you, Mr Speaker. I brought this Bill forward to this hon. House as there is a gap in the current 1972 Litter Act which has the powers to order an occupier to clean up private land to

which the public has access, but there is no power invested in either the department or the local authority to order a similar clean-up if that litter is deposited on the highway from a premises bordering that highway. This Bill inserts new sections in the 1972 Litter Act. The Bill gives that power to local authorities to issue litter control notices, in regulations specified by the department, to types of premises from which they judge the litter emanates.

The Bill gives a right of appeal within 21 days to whomever the notice is served on, and the local authority has to take that appeal into account when making its decision. The department has to be supplied with copies of all litter control notices which will be in force for five years and will be available at all reasonable times to the general public.

If I may remind hon. members that I undertook two consultations with local authorities, firstly on the principle of the Bill and then on the contents of the printed Bill, and I was extremely pleased when I received overwhelming support, even from local authorities which would not be directly affected, but who appreciated that this power was important to those local authorities which were affected by the problem. I am pleased to have had the support of the ministers of the two departments that were consulted, that is the local government department and the Department of Transport.

At last week's clauses stage a new clause, proposed by the hon. Mr Karran, with one word amended by the hon. minister Mrs Crowe, was approved by this hon. House. That clause firstly encourages a local authority to provide bins or other litter receptacles in its area and make arrangements for them to be regularly emptied, and secondly instructs every local authority to designate one or more persons as litter officer. I think there is a general feeling throughout the Island that it is necessary to tackle the increasing problem of litter, and there are several agencies and departments which, by working together, can improve the environment, and I hope that this Bill will also help with that improvement.

I ask hon. members to support this final stage of the Bill and look forward to seeing the regulations which eventually will be brought forward by the local government department. I would like to express my thanks to the Attorney-General's Department, in particular Mr Gumbley, for helping in drafting this Bill. Mr Speaker, I therefore move that the Litter (Amendment) Bill 2003 be given its third reading.

The Speaker: Hon. member for Middle.

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

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

Mrs Crowe: Thank you, I was just rising to second the Bill, as I have done all the way through its progress, and I congratulate the hon. member (**Mr Houghton:** Hear, hear.) on bringing forward and hope that this will help with any problems that we have with litter on the Isle of Man.

The Speaker: Hon. member for Douglas North, Mr Houghton.

Mr Houghton: Thank you, Mr Speaker, and I am quite glad to associate myself with my minister's remarks.

Mr Cretney: One happy fellow! (*Laughter*)

Mr Henderson: Hear, hear.

The Speaker: I call on the hon. member for Ramsey, Mr Singer, to reply.

Mr Singer: Can I just thank hon. members, Mr Speaker, for their support, and I hope their happiness will be reflected in the vote. (*Laughter*)

The Speaker: Hon. members, the motion before the House is that the Litter (Amendment) Bill be now read a third time. All those in favour say aye; against, no. The ayes have it. The ayes have it. I am sure the hon. member hopes it is successful in another place!

Inquiries (Evidence) Bill – Clauses Considered

The Speaker: Right, hon. members, we now move on to Bills for consideration of clauses, and we revert back to the Inquiries (Evidence) Bill in the name of the hon. member, Mr Corkill. As hon. members will be aware, Mr Corkill moved clause 1 of the Bill and that was seconded by Mrs Crowe, who reserved her remarks. The debate is now open to any other member to contribute to the debate. Mr Corkill, do you wish to reply to clause 1?

Mr Corkill: Just briefly, Mr Speaker, and just in general terms, a number of the issues have been raised at the second reading stage and at the first clause part of the consideration of this Bill. I think now that we have got to this stage, I would really just ask for hon. members' indulgence that they listen to the brief that I have prepared for the subsequent clauses, because I think a lot of these issues will be explained. The concerns of, in particular, the hon. member for Ayre, Mr Quine, I have actually incorporated into the text of my brief. So on that basis, and on the basis that we did have a discussion on clause 1 at the last sitting, I formally beg to move it now.

The Speaker: Hon. members, the motion before the House is that clause 1 do stand part of the Bill. All those in favour say aye; against, no. The ayes have it. The ayes have it.

Hon. member for Onchan, clause 2, please.

Mr Corkill: Thank you, Mr Speaker. Clause 2 enables the person conducting an inquiry to summon witnesses to give evidence or produce

documents, and it also gives the ability to take evidence on oath.

Disobedience is punishable by the High Court as a contempt and a witness is entitled to the same privileges as a witness in High Court proceedings. The 1950 Act gave powers to the chairman or vice-chairman of a commission, committee or board of Tynwald holding an inquiry. This is now inappropriate for an inquiry which is held by one person, and obsolete in the case of departments, because, after all, they replaced boards of Tynwald, which had a chairman and vice-chairman, in 1987.

So subclause (1) enables the person conducting an inquiry to which the Bill applies – that is, where Tynwald has passed the necessary resolution – to summon witnesses to give evidence or produce documents and to take evidence on oath. It is the same as sections 1(a) and (b) of the 1950 Act, but substitutes the term ‘person conducting an inquiry’ with the words ‘chairman or vice-chairman’.

Subclause (2) provides that disobedience to a summons, suppression et cetera of documents, or any other contempt of the inquiry, such as causing a disorder, can be dealt with in a similar way to contempt of court. The first step is for the person conducting the inquiry to send a written certificate of the facts to the High Court. This subclause is taken directly from section 1(2) of the 1950 Act.

Subclause (3) provides that the High Court may then inquire into the case. If, after hearing witnesses for the person accused and any statement made by him, the High Court finds the contempt proved, it can deal with it as a contempt of court by a fine or committal to custody, and this subclause is also taken directly from section 1(2) of the 1950 Act.

In response to concerns raised on this point at second reading, I can confirm that the person conducting the inquiry, whether a legal practitioner or not, does not have authority to convict a person for contempt; that authority lies with the High Court alone, and I can also confirm that the normal legal representation and legal aid provisions will also apply to any person accused of that contempt.

Subclause (4) gives a witness before an inquiry the same rights as a witness in civil proceedings before the High Court. This means a witness can refuse to give evidence, which would incriminate him or her, or which is subject to legal professional privilege.

In respect of defamation and in response to a point made at our previous sitting, I would like to confirm that witnesses called to give evidence to an inquiry, would have the defence of qualified privilege. This means that a witness would be protected from prosecution unless the plaintiff could prove that the witness had acted in bad faith actuated by malice.

Also, this subclause is taken directly from the 1950 Act. It is section 1(3) of that Act, as amended by the Civil Evidence Act 1973, section 17(1). So I hope that clearly lays out the clause, Mr Speaker, and I beg to move that it be part of the Bill.

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

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

The Speaker: Hon. members, I put the clause as standing at clause 2. All those in favour say aye; against, no. The ayes have it. The ayes have it.

Hon. member for Onchan, Mr Corkill – clause 3, sir.

Mr Corkill: Clause 3, Mr Speaker, enables any person with an interest in the subject matter of an inquiry the right to appear in person or by an advocate or with the leave of the inquiry by any other representative. This is a new provision. Effectively, it is natural justice to allow representation at such inquiries and is therefore considered appropriate for inclusion in the Bill, purely for the purpose of greater clarity, and I beg to move clause 3 stand part of the Bill.

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

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

The Speaker: Hon. member for Peel.

Mrs Hannan: Thank you, Vainstyr Loayreyder. Could I ask the mover: it states that a person can appear by an advocate or with the leave of the person, a representative – I wonder, where the person has an advocate appearing on their behalf, which I presume (b) is, the person themselves would not then put forward any sort of a statement or whatever, but could that person be then questioned by the advocate acting on their behalf? Could it work like that? In certain circumstances, yes, advocates do appear, but they might want to question the person that has actually asked them to appear. So I wonder if that is the case in this particular issue?

The Speaker: Hon. member for Onchan, Mr Corkill, to reply.

Mr Corkill: I am struggling to actually examine the picture the hon. member for Peel is promoting, but the way I see this clause is that regarding either the person, the advocate with a person, the advocate in place of a person or, indeed, if it is appropriately thought by the inquiry, any other person, the evidence or the clarity that the inquiry may be trying to uncover can come from any combination of those sources. That is the way I read this Bill, in order to produce the clarity that the inquiry would need. So, I would see the normal situation that where a person feels as though they wish to have an advocate with them, that they would appear side by side and that either of them could actually speak to the chairman and to the inquiry itself.

The Speaker: Hon. members, the motion before the House is that clause 3 do stand part of the Bill. All those in favour say aye; against, no. The ayes have it. The ayes have it.

Hon. member for Onchan, Mr Corkill – clause 4, sir.

Mr Corkill: Mr Speaker, this clause requires the public to be admitted to an inquiry unless it would be contrary to the public interest.

Subclause (1) lays down the general principle that an inquiry to which the Bill applies is to be held in public. This is taken from section 1(4) of the 1950 Act, but, unlike the 1950 Act, it is not limited to occasions when evidence is being given pursuant to a summons. This reflects the UK Tribunals of Inquiry (Evidence) Act of 1921. Clearly, it is important that public inquiries are, as far as possible, fully accessible to the public, but there will, of course, be occasions when an inquiry should sit in private and this is provided for by subclause (2).

Subclause (2) provides that where the presence of the public would be contrary to the public interest, on the grounds of either the subject matter of the inquiry or the nature of the evidence, the inquiry can be held in private. I give an example: it could be an inquiry into social services where evidence relates to individual or family matters. This subclause is taken from section 1(4) of the 1950 Act.

Subclause (3) provides a further exception so that a particular person can be excluded from attending the proceedings of an inquiry in order to prevent disorder, and this is a new provision. Mr Speaker, I beg to move that clause 4 stand as part of this Bill.

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

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

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

Mrs Cannell: Thank you, Mr Speaker. Can I just enquire of the mover of the Bill with regards to this: where the person who is heading and conducting the inquiry decides – and I take it that the person would decide or use their discretion – whether or not he or she felt it was appropriate for the public to be there or not, does that also extend, if a decision was taken to exclude the public, to the press? And if their discretion was exercised, in the public interest, and it was felt by the public that it should be open and it should be made public, or at least the press should be there to report, what sort of appeal is there? Or does the leader of the inquiry, the person conducting the inquiry, have total discretion? If we take exception to that, what sort of form of redress is there?

The Speaker: Hon. member for Rushen, Mr Gill.

Mr Gill: Vainstyr Loayreyder, further to that, perhaps if I could ask the hon. mover if he could advise us of an interpretation of public interest. The example that he cites is the social services example, and I can appreciate

that the thrust of that might be of interest to the public – almost ‘skeet factor’ – and those facts are not necessary to be made public, but the whole concept of public interest is potentially laden with a very heavy hand, if the person conducting the inquiry chooses to interpret ‘public interest’ in an oppressive manner. So I would look for that interpretation, and also: who does the person conducting the inquiry have to actually justify his decision to and in what form? If we could perhaps be reassured by that.

The Speaker: Hon. member for Onchan, Mr Corkill, to reply to the debate.

Mr Corkill: Yes, thank you, Mr Speaker. In terms of the comments from the hon. member for Douglas East, Mrs Cannell, in relation to press, obviously if the public on occasion are excluded then that means the press as well, because the example I gave, obviously, if it was an issue to do with social services . . . I give that as an example because they can deal with very personal details, intimate knowledge of a particular situation, which certainly would not be in the interests of those affected; those people may be people who are not really directly part of the actual inquiry, but their evidence is important to the inquiry. Can I say, the slant on this whole clause is designed to change the old legislation to the new, which is that the emphasis is on public access being the normal, whereas at the moment if you look at the old legislation it is the other way round; it is only there when certain evidences are put forward, and a lot of the inquiry under the old legislation, which is quite old now, is seen to be actually processed, with the dialogue, in private. So the idea of this in the modern way of things – we hear this word ‘transparency’ – is that it is an attempt to make the public access a normal event, and only exclude the public and the press for certain circumstances.

Now, that leads me on to the hon. member for Rushen, Mr Gill, about definition of ‘public interest’, and that is a very good question, because I am sure we could all come up with a different view on what public interest is. Certainly, I think we should bear in mind that these type of inquiries are as a result of a decision of Tynwald Court. It is Tynwald who sanctions the setting-up of such an inquiry, and as a result the chairman and the inquiry team will have to take note of what Tynwald has directed. It is not for, I think at that stage, any member of Tynwald, once a decision has been made, to then give some sort of interpretation to that chairman as to what they might consider is public interest and what is not. You are talking about an independent inquiry and then hopefully we are going to have the right type of people in these inquiries who know that balance themselves, and that balance will be different, depending on what the subject matter is. So it is very difficult in legislation terms to actually define public interest in a long detailed fashion. I think we would be always

expanding the boundaries. At the end of the day, the High Court, if it was brought into play at some stage, could make an interpretation of what that public interest means. If someone challenged the situation when public interest has been quoted, then that could well end up in the courts, and that then would be a matter for the High Court to determine.

So, I hope that hon. members will see from this change that really the move is to create a shift away from being in private to being in public in the normal way of things, but I think we all know with our own work within this hon. House, that there are times when we sit on select committees where it is not appropriate to deal with things in public and that tends to be a decision that is made in dealing with a particular thing at hand. So I hope that that gives encouragement to members that this is a step forward in dealing with a piece of legislation which we have had for a long time, but I think our society has moved on a bit and expects more of these things to be in public. I beg to move, Mr Speaker.

The Speaker: Hon. members, the motion is that clause 4 do stand part of the Bill. All those in favour say aye; against, no. The ayes have it. The ayes have it.

Hon. member for Onchan, Mr Corkill – clause 5, sir.

Mr Corkill: Thank you, Mr Speaker. This clause enables the person conducting an inquiry to require the costs of the inquiry to be paid by a public authority, or that one party's costs be paid by another party or out of public funds, subject to an appeal to the High Court. Costs payable by another party or out of public funds are to be assessed by the High Court or, if the parties agree, by the inquiry. The Treasury may make regulations as to the scales of costs et cetera. This clause builds upon and improves section 1(5) of the 1950 Act.

Subclause (1) enables the person conducting an inquiry to order that a public authority involved, but not a private person or body, must pay the costs of the inquiry. This is taken from section 1(5) of the 1950 Act, but is now limited to a public authority rather than any person, which was a fault in the 1950 Act.

Subclause (2) enables the person conducting an inquiry to order that one party's costs be paid by another party or out of public funds. A 'party' is defined as any person interested in the subject matter of an inquiry and its outcome. This would cover persons or organisations who may be liable to be subject to criticism by the inquiry. The type of costs covered are expenses, such as travelling expenses, and legal costs, for example lawyers' fees and disbursements – that is, lawyers' out-of-pocket expenses. The provision at subclause (2)(b) for payment out of public funds is new.

Hon. members will recall that last year I was required to move a Tynwald motion to authorise the award of legal costs to parties to an inquiry out of public funds. It is considered appropriate that such authority should be vested in the person conducting the inquiry and not, therefore, require separate motions to Tynwald on each occasion. However, the provision is subject to the conditions set out in subclause (3).

Subclause (3) provides for costs ordered under subclause (2) to be assessed by the High Court under the

process known as 'taxation' or, if the parties concerned agree, by the person conducting the inquiry.

Subclause (4) enables the Treasury to make regulations prescribing rates and scales of costs and expenses payable under subclause (2) and the conditions for payment.

Subclause (5) enables the person conducting an inquiry to order that the expenses of attendance of a witness be paid by a party or out of public funds. 'Witnesses' are defined as persons called to give evidence, but who are not parties to the inquiry and not liable to be subject to any criticism by its findings.

Subclause (6) gives a right of appeal against an order for payment of costs or witness expenses under subclauses (1), (2) and (5), as I have just mentioned. So, Mr Speaker, I beg to move that clause 5 stand part of the Bill.

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

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

The Speaker: Hon. members, the motion before the House is that clause 5 do stand part of the Bill. All those in favour say aye; against, no. The ayes have it. The ayes have it.

Hon. member for Onchan, Mr Corkill – clause 6 and schedules 1 and 2, please.

Mr Corkill: Thank you. Mr Speaker, clause 6 provides the Bill's short title, makes consequential amendments and repeals in schedules 1 and 2, and excludes its application in the case of inquiries previously instituted.

Subclause (1) gives the Bill its short title, namely 'Inquiries (Evidence) Bill 2003'.

Subclause (2) introduces schedule 1 which makes consequential amendments. Paragraph 1 deletes an amendment of the 1950 Act made by the Civil Evidence Act 1973 which is spent with the repeal of the Act by schedule 2.

Paragraphs 2, 3 and 4 substitute references to this Bill for references to the 1950 Act in Acts relating to inquiries into railway and shipping accidents and development plans, including strategic and area plans.

Subclause (3) introduces schedule 2 which repeals the 1950 Act and also repeals provisions applying that Act to certain inquiries which are now unnecessary because of the wider scope of this Bill.

Subclause (4) excludes the operation of the Bill in relation to inquiries previously instituted. This does include the Mount Murray inquiry, to which the 1950 Act applies and will continue to apply.

Before moving clause 6 as part of this Bill, I am aware that my hon. colleague of Council, Mr Braidwood, has an amendment in mind which the legislative draftsman has brought to my attention at this stage. It is a slight amendment to

the schedule, effectively; it is adding something in terms of the consequential aspects of this Bill. That I am aware of this amendment is the point I just want to make at this stage, Mr Speaker.

So on the basis that this clause 6 provides the Bill's short title and does make consequential amendments, I beg to move that it be part of the Bill.

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

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

The Speaker: Now then, hon. members, I have been given notification of an amendment which the hon. member for Douglas East, Mr Braidwood, wishes to put before the House. To enable him to do that, as hon. members will be aware, we will require that standing order 154(2)(b) be suspended. So therefore can I call on the hon. member for Douglas East.

Mr Braidwood: Thank you, Mr Speaker. I beg to move:

That standing order 154 (2)(b) be suspended to permit amendment to schedule 1 of the Inquiries (Evidence) Bill 2003 to be moved at this sitting.

This has been explained by the mover of the Bill.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. I beg to second.

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

Mr Corkill: Just in terms of suspending standing orders, I would just like to say to hon. members that I thought long and hard about asking Mr Braidwood to suspend standing orders with regard to the work of this clause, because I am aware that under standing orders we have to give notice of amendments in advance for people to consider and as government we expect to be treated no differently. What brought me to my conclusion was two things: firstly, it is consequential and I am sure that this is just an oversight by the legislative draftsman; and secondly, I think we are duty-bound at this stage, as much as we can be, to get this Bill in the way that the Keys would like to leave it, before it goes to another place for consideration there. So I would ask hon. members to support the suspension of standing orders to enable us to do our work.

The Speaker: Hon. member for Douglas East, Mr Braidwood, do you wish to reply to the debate?

Mr Braidwood: No, thank you, Mr Speaker.

The Speaker: Hon. members, the motion before the House is that standing order 154(2)(b) be suspended to enable the amendment in the name of the hon. member for

Douglas East, Mr Braidwood, to be put to the House. All those in favour say aye; against, no. The ayes have it. The ayes have it.

Hon. member for Douglas East, Mr Braidwood, would you put your amendment forward, please, sir.

Mr Braidwood: Thank you, Mr Speaker. It has recently been identified by the legislative draftsman that the published draft of this Bill failed to make provision for one further consequential amendment. This relates to the Copyright Act 1991 which, at section 46, gives to inquiries constituted by the government or by statute privileges with respect to the reproduction of copyright material. Section 46 of the Copyright Act now needs expanding so that inquiries instituted by the Governor in Council or the Council of Ministers are also covered by its provisions. Mr Speaker, I beg to move the amendment standing in my name:

page 5, after paragraph 3 insert –

The Copyright Act 1991 (c.8)

3A. In section 46 –

(a) in subsection (1), for ‘the proceedings of a commission or committee appointed by the Governor or a statutory inquiry’

substitute – ‘the proceedings of –

(a) an inquiry held by a person appointed by the Governor, the Governor in Council or the Council of Ministers to inquire into any matter, or

(b) a statutory inquiry.’;

(b) in subsection (3), for ‘such a commission or committee or a statutory inquiry’

substitute – ‘an inquiry referred to in subsection (1)(a) or (b)’.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. I beg to second, sir.

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

Mrs Hannan: Just in relation to suspension of standing orders, Vainstyr Loayreyder –

The Speaker: Well, can I just say, hon. member, your opportunity to discuss the issue of suspension of standing orders has passed. We are now debating the amendment that is before you.

Mrs Hannan: I do see that as being a necessity, within this legislation, which has been moved by the member for Douglas East, and I just hope with the support of the House that this could happen in future.

The Speaker: I call on the hon. member for Douglas East, Mr Braidwood, to reply to the amendment, if he so wishes.

Mr Braidwood: I do not think there is anything to reply to, Mr Speaker. Thank you.

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

Mr Corkill: No, I simply beg to move, Mr Speaker.

The Speaker: Thank you, hon. members. Right, hon. members, the motion before the House is that clause 6 and schedules 1 and 2 stand part of the Bill. To that we have an amendment in the name of the hon. member for Douglas East, Mr Braidwood. All those in favour of the amendment say aye; against, no. The ayes have it. The ayes have it.

I now put clause 6 and schedules 1 and 2 as amended before the House. All those in favour say aye; against, no. The ayes have it.

A division was called for and voting resulted as follows:

For: Mr Anderson, Mr Cannan, Mr Quine, Mr Rodan, Mr Quayle, Mr Rimington, Mr Gill, Mrs Crowe, Mr Henderson, Mr Duggan, Mr Braidwood, Mrs Cannell, Mr Shimmin, Mrs Hannan, Mr Bell, Mr Corkill, Mr Earnshaw, Capt. Douglas and the Speaker – 19

Against: Mr Karran – 1

The Speaker: Hon. members, the motion carries with 19 votes for and 1 vote against. That concludes consideration of the clauses of the Inquiries (Evidence) Bill.

European Communities (Amendment) Bill – Clauses Considered

The Speaker: We now move on to the European Communities (Amendment) Bill, and again I call on the hon. member for Onchan, Mr Corkill. Clause 1, sir.

Mr Corkill: Thank you, Mr Speaker. As I explained to the House at the second reading, this is a relatively minor Bill consisting of just three clauses. The first clause provides for the incorporation of certain provisions of the Treaty of Nice into Manx law. The second clause makes a very minor change to the Manx Time Act 1968 and the third clause provides for the short title of the Bill.

However, as one hon. member raised the question of the level of scrutiny given to European Community instruments and perhaps others also wonder about it, I will

deal with clause 1 in some detail. As I have said, this clause deals with the incorporation of certain provisions of the Treaty of Nice into Manx legislation.

Subsection (1) of this clause amends section 1(i) of the European Communities (Isle of Man) Act 1973, hereinafter called 'the 1973 Act'. It does so by providing that those parts of the Treaty of Nice which relate to the European Communities are included among the community treaties listed in section 1 of the 1973 Act. The result is that those parts of the Treaty of Nice are given effect in Manx law.

The community treaties listed in the 1973 Act initially included the three main treaties which established the European Economic Community which is now just called 'the European Community'. The European Coal and Steel Community – the ECSC treaty – which has now expired and the European Atomic Energy Community. Taken together these treaties form what is known as 'the European Communities' or indeed the first pillar of the European Union. Further treaties have been added to the list in the 1973 Act by later Acts of Tynwald, the last of which was the European Communities (Amendment) Act 1999 which added the Treaty of Amsterdam.

The new paragraph to be inserted in the 1973 Act refers to the parts of the Treaty of Nice which relate to the European Communities. The new paragraph does not provide for those parts of the treaty which concern co-operation in the sphere of foreign and security policy – the second pillar of the EU – or which relate to police and judicial co-operation in criminal matters – the third pillar – to be included. This is because they do not give rise to community rights and obligations.

The parts of the Treaty of Nice which relate to the European Communities fall into three categories: firstly, articles 2 to 10 of the treaty; secondly, the other provisions of the treaty so far as they relate to those articles; and thirdly, the protocols to the treaty.

The first category, covering articles 2 to 10 of the treaty, relates to the parts which directly concern the European Communities. Articles 2, 3 and 4 make substantive amendments to the treaties establishing the three communities. Article 5 amends the Protocol on the Statute of the European System of Central Banks and of the European Central Bank, and article 6 amends the Protocol on the Privileges and Immunities of the European Communities. Articles 7 to 10 of the treaty concern the European Court of Justice. Article 7 is concerned with the Protocols on the Statute of the Court of Justice. It repeals the two existing protocols which are annexed to the treaty establishing the European Community, the EC Treaty, and to the treaty establishing the European Atomic Energy Community, the Euratom Treaty. Now they are replaced with a single protocol annexed to the Treaty on European Union, the EC

treaty and the Euratom treaty. Articles 8 and 9 set out arrangements concerning the Court of Justice following the expiry of the treaty establishing the European Coal and Steel Community in July 2002. Article 10 makes consequential repeals in Council and that was a decision 88591 ECSC/EEC/Euratom, establishing a Court of First Instance of the European Communities.

The second category of provisions which relate to the European Communities are the provisions of the Treaty of Nice which do not amend the Community treaties as such but relate to matters dealt with by them. They include amendments to the Treaty on European Union which also relate to matters dealt with in the Community treaties. Examples of this are the amendment to article 43, the new articles 43A and 43B, the amendments to articles 44 and 45 and the new article 44A of the Treaty on European Union. These are the general provisions on enhanced co-operation by a group of member states that apply to such co-operation, not only under the Treaty on European Union, but also under the EC treaty.

The third category covers the four protocols to the Treaty of Nice and, firstly, these are, in order: the protocol on the enlargement of the European Union; the protocol on the Statute of the Court of Justice; the protocol on the financial consequences of the expiry of the ECSC Treaty and on the Research Fund for Coal and Steel; and fourthly, the protocol on Article 67 of the Treaty establishing the European Community.

Subsection (2) of this clause concerns the European Court of Justice and the Court of First Instance. The Treaty of Nice changes the status of the Court of First Instance so that it will no longer be attached to the Court of Justice. The treaty also includes new provisions for the setting-up of judicial panels which are to be attached to the Court of First Instance. Subsection (2) amends the definition of 'European Court' in section 1(1) of the 1973 Act to reflect these changes and the new definition will apply generally.

None of the changes outlined above will have any significant effect on the Isle of Man, and I would say again that the Treaty of Nice does not change the Island's relationship with the European Communities under protocol 3. But, of course, the enlargement of the European Union will increase the number of countries to which the protocol 3 arrangements will apply and that may well affect the Island in various ways. However, that is a separate matter altogether and one which may, perhaps, be debated further when a future European Communities (Amendment) Bill comes before this House to include the accession treaties of the new EU states amongst those listed in the 1973 Act.

In the meantime, you may be assured, hon. members, that the government will continue to watch developments in the EU, carefully consider the possible consequences for the Island and where necessary it will press the Island's case as forcefully as possible.

I apologise for the rather long explanation on that first clause, Mr Speaker, but I think it is necessary, and I beg that clause 1 stand part of this Bill.

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

Mr Rimington: I beg to second and reserve my remarks.

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

Mr Karran: Vainstyr Loayreyder, I would just like to know the Ard-shirveishagh's views on this particular clause. With the Treaty of Nice we will be increasing the number of the member nations of the EU. We have already seen people expressing concerns about illegal immigrants, when to be perfectly honest with you, Vainstyr Loayreyder, I think you will find that hon. members were misguided as far as that is concerned. I think, hon. members, in agreeing to this proposal, I believe that we need more to address the issue of getting either an effective residency control mechanism or even a full immigration system for the Isle of Man. The problem will be, now you are extending the EU to several less well developed nations – and I believe that you have to accept the fact that if you accept, you cannot treat our UK neighbours any differently than any other EU resident – there will be no chance of being able to pick and choose who you want to be more lenient to. So I do feel that this issue needs to be thought of by the Ard-shirveishagh at the present time, because I am very concerned that by this treaty we are going to end up with a situation where you have got a large number of Eastern-bloc countries who will have to be treated the same as the rest of the EU members. I think that could have an effect on this Island, especially if there is a downturn as far as this Island is concerned. It will have an effect as far as the EU's extension on other issues such as agricultural products – they will have to have a free market, and I just think that this issue should be debated in this House rather than just allowing this to be nodded through.

I am also concerned about this clause. I understand, Vainstyr Loayreyder, it is a *fait accompli*, but I think it needs to be put on record that it obviously weakens the EU's position within the UK, and even when we have been an afterthought in the past, they did have the influence for afterthoughts. Now, with the UK Government's power weakened even less, they might not even have the facility to have an afterthought. So hon. members must realise that with this piece of legislation coming through, we will not be able to treat citizens from the former Soviet bloc who are joining the EU any differently from our UK neighbours or our Irish neighbours on the other side. So I just think that the Ard-shirveishagh must realise that with this piece of legislation there will be even more need for residency control to come in, as far as the Island is concerned, and I think it is important that that is recognised. I put that down as a note to the hon. member. Nobody wants any discrimination as far as EU members are concerned, but this hon. House needs to be aware that this piece of legislation will broaden the

number of people who have to be treated equally and equably, as far as the present lack of mechanisms that are in this hon. House is concerned.

The Speaker: Hon. member for Rushen, Mr Gill.

Mr Gill: Thank you, Vainstyr Loayreyder. The comments from the hon. mover, the Chief Minister, in the concluding part of his previous speech cause me some concern. He said that the Isle of Man will press our concerns regarding the EU. Well, that is an easy statement to make, but to whom and by what method? How will we gauge if these concerns are actually being considered and what will we do if we are dissatisfied with this process, whatever it is, if it fails to reassure us? I think this begs more questions than answers.

Indeed, the use of the words 'our' or 'us' – is that the government that the Chief Minister describes or is there some facility for parliament to have any concerns raised and progressed? And further to that, what do the government's friends in London think about this proposed mechanism he has alluded to but not described, to raise our concerns? Has our government discussed these with the British Government? If so, when and what were the outline terms of these discussions? So all in all, I think that that comment that the Chief Minister makes really requires a great deal more advice and information to this hon. House, and I hope that that will be forthcoming, before we decide to progress this in the uncertainty that clouds the whole issue as we speak.

The Speaker: Hon. member for Onchan, Mr Corkill, to reply to the debate.

Mr Corkill: Yes, I thank hon. members for their comments in relation to this Bill. Can I say at the outset that this is a procedural Bill, this is implementing something that we are already a part of. But of course, the debate that we just had, short as it was, I think is important because we do know that the EU is developing, it is evolving, it is changing and one of those aspects, of course, is enlargement. I did say in my brief that there will be further legislation coming forward at the appropriate time for debate, if and when the EU does enlarge and the Eastern European countries that we are aware of do become full members of the EU. I think we should be aware that that process of whether they join or not, and when they join or not, is outwith the control of us as members here, but certainly they may have economic impact and they may have impact with regard to the movement of people because the EU will be that much larger.

Now just dealing with the hon. member for Rushen, Mr Gill's comments first: he is concerned about to whom we are pressing. Well, we hear a lot of issue about taxation initiatives within the EU and we have daily – never less than weekly – contact with the UK Inland Revenue, UK Treasury, through the Lord Chancellor's department, we have people employed in Brussels to keep a watch and brief on developments in these sorts of areas – not just the areas of taxation but other areas such as agriculture – so that we are as best informed as we can be

of changes that are going on in EU legislation, which is changing all the time.

If we look at protocol 3, which I think has served this Island very well, bearing in mind all the circumstances around us over the last 30 or so years, there are handicaps within that for us, as 200 farmers at the Mount Murray were testament to the other evening. They are locked into this protocol 3 arrangement. We obviously have dwelled on some of the negative aspects of protocol 3 here and I do not think this Bill should be a discussion about protocol 3 or about EU enlargement because it is dealing with issues to do with the Nice treaty which have already happened and in reality we are already a part of it, it is just acknowledging these changes within our own law. But, of course, protocol 3 is a two-way contract and we have the ability to access the EU for many things with relation to manufacturing and agriculture, and in particular the freedom of movement of people. Those are within protocol 3 and are enshrined in that. Of course, the other side of that is the imported problems: the fact that imported manufactured goods and agricultural produce, we are part of the single market, effectively, for that, and we have a certain population within the EU, whatever the figure is – 400+ million and it is growing – although these new members are relatively small in population compared to some of the existing members states. So the overall population of the EU will not rise dramatically by the inclusion of these new members; some of them are quite small countries – the Czech Republic has got 10 million people, as compared to the 90 million of Germany. It will have an impact, but the United Kingdom have told me in the past that they do not expect that impact to be as great as perhaps people fear.

We already have those millions of EU citizens on our doorsteps, effectively; they have EU passports, as indeed we have EU passports, and that is what we are already a part of. I think, before we get to the process of the legislation I referred to in my briefing notes where we can have a debate about the enlargement of the EU, it might well be a good thing that perhaps in Tynwald, in another place, that we have a debate on some of the EU issues and to thoroughly debate what is evolving on our doorstep and how we feel as an Island in relation to that. Certainly, I have no problem with that. There are political implications, but most of what we talk about are economic implications, and certainly we have to balance those in the way that we discuss issues to do with the EU.

Now the hon. member for Onchan, Mr Karran, raised the issue of residency, and effectively, he was saying that perhaps we do not want East European people coming to the Island when they become EU citizens. That is a fairly easy thing to say, as something of concern, and he called for the residency Act or, if not, a full immigration control. Well, obviously we are aware that immigration legislation is applied to us by the UK, we are part of the UK immigration law, effectively, for most

part of it, but the hon. member did not say, in general terms, who he would keep out or who he would keep in. It is back to the very debate over the gateways of the residency Act, and the Social Issues Committee, a committee of Council, is already looking at those difficult issues, and I think what is surfacing out of all of that debate – I getting onto policy issues now and I apologise for drifting off the subject matter of this clause – is that the work permit control legislation is most likely to be our saviour in all of this situation and that we must pay due regard to the legislation that we already have.

Now this is a complicated Bill in the way that I have read out the clause because it affects so many pieces of legislation (**Mr Karran:** Hear, hear.) but we are talking about terms of how we refer to bodies, the fact that those bodies have changed in name, that the treaties have evolved, that the Nice treaty has come along and we are talking about acknowledging an evolution that we are already a part of, through our protocol 3, and incorporating that in law today. But certainly, on another day in another place a debate about EU enlargement, I think would be a very useful thing for us all to consider but as this Bill is in principle relatively uncomplicated, I beg to move the clause in my name.

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

Hon. member for Onchan, Mr Corkill – clause 2, sir.

Mr Corkill: Mr Speaker, clause 2 of the Bill makes a minor amendment to section 1(2) of the Manx Time Act 1968, known as ‘the 1968 Act’. Under the 1968 Act, Manx time is fixed for the general purposes of the law as the same time as that in Great Britain. Under EC directive 2000/84EC on summertime arrangements, member states harmonise the period during which clocks are put forward by one hour to run from the last Sunday in March until the last Sunday in October for the indefinite future. This replaced previous EC arrangements whereby some difference in summertime dates for member states was allowed and the dates were only set for two to four years in advance. The United Kingdom implemented the EC directive by an order in Council, the Summertime Order 2002 made under the European Communities Act 1972 of the UK Parliament. The 1968 Act fixes time by reference to the time fixed for general purposes in Great Britain by any enactment of the imperial parliament. In this context the reference to enactment is taken to mean an Act and the Summertime Order 2002 is not an enactment in that sense.

To avoid any doubt and to ensure that the 1968 Act continues to reflect the legal position in Great Britain the amendment to the 1968 Act is proposed. The effect of the amendment is to extend the reference to the fixing of time by Acts of UK Parliament to include subordinate legislation made under such Acts. This will mean that instruments such as the Summertime Order 2002 made under the European Communities Act 1972 may be referred to for the purpose of determining Manx time for the general purposes of the Isle of Man.

In practice there will be no change to the period of summertime in the Isle of Man, as Great Britain and the

Isle of Man have been using the same dates as those in the European Community directive for some years. So I beg to move that clause 2 stand part of the Bill.

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

Mr Rimington: I beg to second, sir, and reserve my remarks.

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

Mr Karran: Vainstyr Loayreyder, can the Ard-shirveishagh just explain to this hon. House: by moving this minor amendment, does it mean that this House will not be able to have any opportunity if it did, in the foreseeable future, decide that it did not want to follow the EU directives, so that we would be in the position where we could not change it if there was some specific reason that we wanted to at a later date? If the Ard-shirveishagh can just clarify that we are not losing any legislative power or flexibility in the future, as far as this amendment is concerned.

The Speaker: Hon. member for Onchan, Mr Corkill, to reply.

Mr Corkill: Yes, I would be happy to confirm that Mr Speaker. With regard to this piece of legislation, it is just acknowledging changes in another place in the United Kingdom, where the way in which their legislation refers to summertime has changed, and our legislation is out of date. When you see words like ‘imperial’ you realise how old the legislation is. So it is just a way of our legislation referring to another place’s legislation in an up-to-date fashion. If we wished to change our time zone in future at some point, Mr Speaker, (*Laughter*) I think that would an extremely interesting debate and as someone who is a great believer in traa dy liooar maybe we could always be one hour behind everybody else (*Laughter and interjections*), but certainly I think the clause is straightforward. I beg to move.

The Speaker: Hon. members, the motion before the House is that clause 2 stand part of the Bill. All those in favour say aye; against, no. The ayes have it. The ayes have it. Hon. member for Onchan, Mr Corkill, clause 3, sir.

Mr Corkill: This simply provides the short title for the Bill, Mr Speaker, namely the European Communities (Amendment) Bill 2003. I beg to move clause 3 be part of this Bill, sir.

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

Mr Rimington: I beg to second.

The Speaker: Hon. members, the motion before the House is that clause 3 do stand part of the Bill. All those in favour say aye; against, no. The ayes have it. The ayes have it.

**Legislative Council Elections –
Statement by the Speaker**

The Speaker: Now, hon. members, before I adjourn the House, I just wish to clarify an important issue in relation to the elections regarding the three vacancies in the Legislative Council. At the special sitting on 18th March to elect persons to fill the vacancies for the three vacant seats in the Legislative Council, I would advise hon. members that standing order 209 (1)(o) now applies and that standing order states, and I quote: 'If it shall be necessary to fill vacancies for membership of the Council which differ in length of term, the person receiving the greatest number of votes shall fill the vacancy for the longer term of office.' This means, hon. members, that if all the vacancies are filled at the same sitting, the person who is successful but has the lowest number of votes will fill the vacancy created by the resignation of Dr Mann, the standing order I have mentioned, standing order 209(1)(o), being now applicable to the election on 18th March. It follows that, although the hon. member for Douglas East, Mr Braidwood, envisaged that his nominee would, in effect, only be standing for the vacancy created by Dr Mann, Mr Braidwood's nominee will now be included in the election on 18th March on the same basis as any other nominee. I hope that clarifies this important point for hon. members.

Hon. members, the House will now stand adjourned until 10 a.m. on Tuesday, 11th March in our own House. Thank you, hon. members.

The House adjourned at 12.52 p.m.
