

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

**Douglas, Tuesday, 5th November 2002
at 10.00 a.m.**

Present:

The Speaker (the Hon J A Brown) (Castletown); The Deputy Speaker (Mr R E Quine OBE) (Ayre); Mr D M Anderson (Glenfaba); Hon A R Bell and Mr L I Singer (Ramsey); 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 (Douglas South); Hon R P Braidwood and Mrs B J Cannell (Douglas East); Hon A F Downie and Hon J P Shimmin (Douglas West); Hon J Rimington and Mr Q B Gill (Rushen); with Mr M Cornwell-Kelly, Secretary of the House and Mrs M Cullen, Acting Secretary of the House.

The Chaplain took the prayers.

Items Considered

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Leave of Absence Granted

The Speaker: Hon. members, I have granted leave of absence to the hon. member for Douglas South, Mr Duggan, and the hon. member for Rushen, Mrs Crowe.

Questions were taken at this point and concluded at 11.40 a.m. They are published separately.

The Speaker's Report to the House re Mr Karran's Allegations – Standing Orders Suspended – Debate Continued

The Speaker: Hon. members, before we go to item number 3 on our order paper, the adjourned debate, I invite the Deputy Speaker to take the chair.

The Speaker vacated his chair, which was taken by the Deputy Speaker.

The Deputy Speaker: Hon. members, item 3 on our order paper. The Deputy Clerk, Mrs Cullen, will act as Clerk for this item. Hon. members will recollect, of course, that it was adjourned for a week at the last sitting of the House, and today we return to the substantive debate. The position at the moment is that the motion was moved by the hon. member for Michael, Mr Cannan. The hon. member for Onchan, Mr Karran, has seconded that motion, and now it is a matter of whether any other members wish to speak. Hon. member for Castletown, Mr Brown.

Mr Speaker Brown: Yes, thank you, Mr Speaker. I listened with interest to the hon. member for Michael's introduction in this debate last week, when he moved the motion that the Speaker's report be received, and also to the brief contribution to the debate from the hon. member for Onchan, Mr Karran. I have now had the opportunity to read both the hon. member for Michael, Mr Cannan's, introduction notes and the letter and paper provided last week to hon. members by the hon. member for Onchan, Mr Karran, in relation to this matter.

The first matter that I again have to state to hon. members is that I was not requested by the House to investigate the substance of the allegations made by the hon. member for Onchan, Mr Karran; I was requested by the House to seek proof of the comments made by him in the House on 25th June 2002. This is fundamental in considering this matter and must be kept uppermost in hon. members' minds. After reading the documents from both hon. members, it is obvious that they are critical that I did not investigate fully the actual issues, but I repeat: I was not requested by the House to investigate the substance of those issues. It

was, as I have said, requested only that, in line with standing order 49(3), that I seek proof of the comments made by the hon. member for Onchan, Mr Karran, and report to a special sitting of the House convened as soon as possible. This I did, and I fully complied with the remit given to me by the House.

It is clear to me, after reading the paper dated 22nd October 2002 provided to the House at last week's sitting by the hon. member for Onchan, Mr Karran, and the paper of introduction to the debate by the hon. member for Michael, that these papers are full of distortion of facts, misinformation, accusations and innuendoes, and there are some comments which may well be libellous. Further, in relation to the hon. member for Onchan, I believe it is obvious that Mr Karran and his writers are deliberately distorting the facts to suit their own objectives and agenda in their ongoing campaign to undermine public confidence in the Island's parliamentary and governmental institutions.

Mr Karran: You have done that, mate.

Mr Speaker Brown: So where do we start? Well, let us look at the facts. I believe that the starting point is the hon. member for Onchan, Mr Karran's, personal and vigorous opposition to me being elected the Speaker of the House. He makes it absolutely clear in his paper that this is of major concern to him, and therefore presumably to his group, and I would refer hon. members to page 22, paragraphs 9.2 and 9.3, which confirm this fact. However, I will return to this matter later.

Mr Speaker, in responding to the debate, I have combined my responses to cover both papers, as they cover the same issues. So, if we look at the House of Keys resolution of 11th July, procedural errors, which are on pages 5 and 6 of the hon. member for Onchan's paper, the hon. member for Onchan, Mr Karran's, paper starts by Mr Karran again questioning the right of the hon. member for Douglas West, Mr Downie, to put down his motion of 11th July 2002. The hon. member for Onchan, Mr Karran, wrote to the Secretary of the House prior to the matter being considered by the House and, prior to the hon. member for Douglas West, Mr Downie, being invited to move the motion standing in his name at the sitting of 11th July, I made a comprehensive statement to the House clarifying the position and my ruling in relation to the objections raised by the member for Onchan, Mr Karran. Unlike the inferences given in Mr Karran's paper at page 5, paragraph 2.4, where he states, 'In his ruling of 11th July on this issue, Mr Speaker indicated a reluctance to begin', I can assure the hon. members of this House that there was no reluctance at all from me regarding the making of my statement or to permit the motion to be put to the House for consideration. I was quite explicit and firm about my ruling, especially in relation to the constitutional considerations I gave. It is worth quoting from *Hansard* of 11th July 2002, pages K201 and K202, so that there is no misunderstanding as to

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

The hon. member for Onchan, Mr Karran, again states in his paper that the motion in the name of the hon. member for Douglas West, Mr Downie, breached standing order 98 and that I should have ruled it out of order. Again, I gave my ruling in relation to this point, and standing order 98 states, 'No member shall digress from the subject matter of any question under discussion, and all imputations of improper motives and all personal reflections on members shall be deemed disorderly.' In my ruling to the House, given on 11th July 2002, I stated – and I quote from *Hansard* – 'What was said in the supplementary question may now be disputed, but a clear statement of fact was made as if it were true, and that is an allegation within the accepted meaning of the term. It is also clear from the wording of the motion that it contains no prejudgement and that it asks a strictly neutral question. It is true that the answer may go one way or the other, but I am satisfied that the motion itself makes no imputation.' Mr Speaker, the hon. member for Onchan, Mr Karran, continues to refuse to accept the Speaker's ruling on these matters and again challenges my ruling. I believe my ruling was absolutely correct and clear, and I can assure hon. members that my ruling was given with total impartiality. Therefore, I again confirm that the motion in the name of the hon. member for Douglas West, Mr Downie, was *not* in breach of any standing order of the House. If it had been, I would, without any hesitation whatsoever, have ruled it out of order.

The hon. member for Onchan, Mr Karran, in his paper at page 6, paragraph 2.7, headed 'Mr Speaker's Ruling', part quotes from my ruling to the House on 11th July 2002. *Hansard* page K202 refers. The quote in Mr Karran's paper at 2.7 states – and I quote – 'Once a matter has been raised on the floor of the House' and the quote then stops and goes '. . . there is relatively little use in exercising powers under standing order 53(1)'. In his paper, the hon. member for Onchan, Mr Karran, goes on to state that my ruling is highly surprising for two reasons: (1) such an interpretation would subvert the meaning of 'standing

order'; and (2) that I had ample time to prevent the motion being put before the House. I have clearly stated why I did not rule the motion out of order. The quote in the paper at 2.7 from my ruling has been produced to take this part of my ruling out of context. The ruling referred to related to the asking of a supplementary question or questions and *not* to the motion put down by the hon. member for Douglas West, Mr Downie. The full text of this part of my ruling is as follows – and I quote – 'It is, in effect, only in the case of a question as it stands on the order paper that it is practical for me to say, before the matter becomes public, that the question should or should not be put. Once a matter has been raised on the floor of the House in public by way of a supplementary question, there is relatively little use in exercising powers under standing order 53. By then, so to speak, the horse has bolted. The power is there, but it will often only be effective to exercise it when the order paper is being prepared.' I am sure hon. members will have noted that, importantly, in Mr Karran's quote in his paper, he has conveniently and deliberately left out the words – and I quote – 'in public by way of a supplementary question'. Presumably, this is to give the impression that I was referring to the motion in the name of Mr Downie, but of course, and as the hon. member knows, I was not.

Mr Speaker, under the heading 'Mr Speaker's Inquiry: Errors of Law and Interpretation' on page 7 of his paper, the hon. member for Onchan, Mr Karran's, paper then goes into my use of the words 'inquiry' and 'investigation' in relation to the matter and my report. In paragraph 3.2, he states – and I quote – 'The Keys resolution of 11th July did not request or empower Mr Speaker to conduct an inquiry or investigation'. The impression being given here is that I exceeded the remit given to me by the House in the resolution of 11th July 2002. The resolution was specific in that the House requested me to seek proof. So, the question is: did I exceed the remit given to me in relation to seeking proof? I do not believe that I did. Clearly, the hon. member for Onchan, Mr Karran, believes this to be an important point, so I feel that it is necessary to clarify the use of the term 'seek'. The Concise Oxford Dictionary states, in relation to the word 'seek', that it means – and I quote – 'to make a search or enquiry'. The dictionary also states that 'to investigate' means – and I quote – 'To make a systematic enquiry or search'. Therefore, I am satisfied that I quite properly conducted an inquiry and investigated the matter in line with the resolution of the House and that I did not exceed the authority given to me by the House on 11th July.

On page 7, paragraph 3.5, of the paper, it states – and I quote – 'The matter is clear. Mr Speaker was being requested by the House to seek *prima facie* proof for the accuracy of any statement contained in a question asked by Mr Karran.' Again, this is not a true statement. The resolution of the House requested me – and I quote – 'to seek proof of the comments made by the hon. member for Onchan, Mr Karran, by way of

supplementary questioning'. However, in an endeavour to assist the hon. member for Onchan, Mr Karran, I decided that I would, as I stated in my report, in fact use a less exacting term, '*prima facie* proof', to give the hon. member for Onchan, the benefit of the doubt. In relation to the matter of proof and *prima facie* proof, this was specifically brought to the attention of the hon. member for Onchan on two occasions, first by letter from the Secretary of the House dated 15th July 2002, and secondly by me when the hon. member attended before me on 16th July, so that if he had any objection or comment in relation to this matter, I could then consider his comments when considering my report.

On page 8, at paragraph 3.10, on the hon. member's paper, again we witness a distortion of the facts. Paragraph 3.10 of his paper states – and I quote – 'Examples of ways in which the inquiry was extended included the attempt to raise the standard of proof from '*prima facie* proof' to 'proof'.' Hon. members, the resolution of the House of 11th July 2002 clearly stated that I was to seek 'proof'; therefore to state that I extended the inquiry by raising the standard of proof from '*prima facie* proof' to 'proof' is not correct. In fact, this statement in paragraph 3.5 of the hon. member's paper confirms, as I stated in my report to the House, that I used the less exacting term of '*prima facie* proof' as against the actual term that was used in the resolution passed by the House, that of 'proof'. So even when I was endeavouring to assist the hon. member for Onchan, Mr Karran, he rejects to acknowledge the fact and, in fact, goes to some length to criticise me for trying to be as fair as I could be to him without being biased against any other party. I certainly refute the allegation that I acted *ultra vires* or that my report is *ultra vires*. I can confirm unequivocally to the House that I had no bias or predetermination and showed none regarding this matter, and I take great exception to such an inference being made by both the hon. member for Michael, Mr Cannan, and by the hon. member for Onchan, Mr Karran.

I would remind hon. members that it was the hon. member for Onchan, Mr Karran, who repeatedly refused to respond to my questions at the meeting I held to seek the proof as requested by the House. If hon. members view the *Hansard* report of our meeting, as contained in my report at appendix 3, on page 4 of Mr Karran's evidence, they will see that the hon. member was most uncooperative, even in relation to the simplest of questions. He continually refused to answer questions which I put to him. For example, I asked him a simple, basic, but vitally important, question about the status of the document presented as the affidavit, (*Interjection by Mr Karran*) and that was to confirm that the affidavit he had presented to me had actually been sworn. His response was – and I quote – 'With all due respect, Mr Speaker, I have provided you with the *prima facie* proof and therefore I will not discuss this matter further.' Hon. members, the reason for my question was quite simple: I had had

presented to me a document and, if hon. members look at page 8 of appendix 4 of my report, which is page 6 of the actual affidavit, they will see that, at the bottom of the page, the hon. member for Onchan, Mr Karran, has signed it and that it is dated 16th July. You will also note that it does not state the year. And then there is only a signature under the wording 'in the presence of', which I and the Secretary of the House could not decipher to identify the person's name. The affidavit also did not contain any indication that the person in whose presence it had been signed was legally qualified to witness the affidavit and there was also no indication that it had been sworn. I therefore believe that, in relation to this fundamental piece of the hon. member's evidence put before me, it was absolutely correct for me to endeavour to ascertain the status of the document presented by the hon. member for Onchan, Mr Karran, which he asserted was his sworn affidavit and yet, as can be seen from the *Hansard* report, the hon. member initially refused to answer this very basic, but vitally important, question. Because of the importance of this document, I instructed the Secretary of the House (*Interjection by Mr Karran*) to write to seek confirmation from the hon. member that the affidavit had actually been sworn, as required by law. The affidavit was absolutely pivotal to the hon. member for Onchan, Mr Karran's, evidence of proof, and therefore I believe it was quite correct for me to seek confirmation in writing of the status of the document. The hon. member provided this to me, by letter dated 22nd July 2002, where he forwarded a letter dated 20th July 2002 from his advocate confirming the status of the document. So, I do not accept that there was anything 'bizarre', as stated in the hon. member's paper at paragraph 3.12 on page 8; it was, I believe, quite proper for me to seek such confirmation and, if I had not, then I would certainly have been failing in my responsibility to this hon. House.

We now go to 'Breaches of Natural Justice' on pages 8 and 9. The hon. member for Onchan, Mr Karran, states that, because he was not provided with an advance copy of my report, there was a breach of natural justice. I do not accept that. I had been charged to report to the House, and that I did. Mr Karran then refers to the European Convention on Human Rights, article 6.1, and states that this article may be invoked to ensure that parliament treats its members fairly when exercising disciplinary powers over them. He then makes reference to a case of *Demicoli. versus Malta* (1991). However, the fundamental point here is that the issue of exercising disciplinary powers over the hon. member, Mr Karran, was not an issue. My report does not refer to or recommend any matter relating to disciplinary action. In fact, my report makes no recommendation. I had only been requested to report on the comments made by the hon. member in the House, and I laid out my conclusion regarding my finding in my report.

The next heading is 'Mr Speaker's Inquiry: Significant Omissions' pages 10 and 11. On page 10,

in paragraph 4.4 of the hon. member for Onchan, Mr Karran's, paper, he asserts that there were significant omissions in my inquiry because I had not invited certain persons to appear before me. However, as I have consistently advised the House, the House did *not* request me to undertake a full investigation into the substance of the matters relating to the film studio; I was only requested to seek proof of the comment made by the hon. member, Mr Karran. Therefore, it would have been quite improper for me to broaden out my enquiries, as suggested in the hon. member's paper.

Again on page 10 in paragraphs 4.6 and 4.7 of the hon. member's paper, he indicates, in relation to the information sought from the Chief Constable, that there are significant further omissions, and in paragraph 4.7 it states – and I quote – ‘The Chief Constable may (or may not) have been fully precise (and this may, or may not, be significant).’ This is a masterful statement of uncertainty. In fact, one has to wonder what the purpose of this paragraph is, as it just goes on to use the words ‘may’ or ‘may not’ and then again repeats ‘may’ or ‘may not’, and it results in saying absolutely nothing. If ever there was a sentence that says something, but actually says nothing, this is it. Maybe the hon. member could not think of anything to say in relation to the information sought from the Chief Constable, because it confirmed that the police had not had any involvement and this was not helpful to the hon. member's case, but he felt it important to say something in an endeavour to create uncertainty about the information from the Chief Constable. In fact, paragraph 4.7 is just gobbledegook.

Mr Speaker, on page 11, paragraph 4.9, again I am criticised for not undertaking any further research with the Chief Constable, and again I reiterate: I was not requested to undertake any detailed investigation of the substance of the matter. However, I did feel it was appropriate to seek confirmation from the Chief Constable about the matter of the police being called, as claimed by Mr Karran, that is in relation to his comments about a dishonoured cheque, especially as both parties had raised this matter, and I believed that the House should be aware of whether the police had, in fact, been called. The Chief Constable was quite clear in his written response dated 18th July 2002 – and I quote – ‘On the information provided, no record of any such instance can be traced on our system dating back to January 2002.’ The information provided to the Chief Constable by the Secretary of the House was quite explicit, as can be seen by the copy of his letter dated 17th July 2002 at appendix 2. He also provided a copy of the *Hansard* of the debate of 11th July 2002, pages KQ204 to 205, both inclusive, which hon. members can see at appendix 1 of my report. There could therefore be no doubt as to which film studio was being identified. In fact, the Island, as far as I know, only has one such studio anyway. In evidence given to me, the Chief Executive of the Department of Trade and Industry, Mr Bawden, also confirmed that, since the allegation about a

dishonoured cheque was made, he had made his own enquiries with Ramsey police and they had confirmed to him that they – and I quote – ‘have no record whatsoever of being called out to Island Studios in relation to any such incident.’ In relation to the matter of a dishonoured cheque, as well as Mr Slattery producing a letter from the bank clarifying this matter, in his evidence Mr Westcott also stated – and I quote – ‘The bank confirms that we have never, ever had a dishonoured cheque on any of our four companies that I am in ownership of.’

The next heading is ‘Mr Speaker's Recall of the House of Keys (30th July): Procedural Concerns’, and this is on page 12. On page 12, at paragraph 5, the hon. member for Onchan, Mr Karran, challenges the validity of my actions in recalling the House. I would first refer hon. members to the resolution that they made in the House on 11th July 2002 – and I quote – ‘That Mr Speaker be requested, in line with standing order 49(3), to seek proof of the comments made by the hon. member for Onchan, Mr Karran, by way of supplementary questioning raised on 25th June 2002 under question 8, referred to in this House on Thursday 11th July 2002, and report to a special sitting of the House of Keys convened as soon as possible.’ As hon. members will note from the resolution, there was no timetable attached to the resolution, except ‘as soon as possible’, and I gave notice in the House on 11th July 2002, at the conclusion of the debate, that it was my intention to recall the House before the end of the month of July, and that it would be on a Tuesday morning. *Hansard* of 11th July 2002, page K221, records that I said – and I quote – ‘Just to give some indication to hon. members, it will be my endeavour to comply with the motion that has just been passed to deal with this matter as speedily as possible, because I believe it is in everybody's interest as well as the public's. I would therefore ask hon. members to keep their Tuesday mornings free. It is my intention to endeavour to deal with this matter before the end of the month.’ This was clearly a notice of my intention to the House and to the public that I intended to recall the House before the end of the month and of the reason why. Further, the order paper in itself is a notice to hon. members of the House and also a public notice of a sitting of the House. The order paper clearly displayed the purpose of the sitting, that is to enable me to report to the House in compliance with the resolution of the House of 11th July 2002. In the hon. member for Onchan, Mr Karran's, paper, paragraph 5, he raises the relevance of standing order 37(1). However, standing order 37(1) is not applicable in this instance.

I now move on to the next heading, which is ‘Mr Speaker's Report: Errors of Fact and Omissions’, and this is covered on pages 13, 14, 15, 16 and 17 of Mr Karran's paper. The hon. member for Onchan, Mr Karran, states, in section 6 of his paper, ‘that my report contains serious errors of fact and that statements presented as fact are variously untrue, highly misleading, misrepresentative, self-

contradictory or, apparently, improperly insinuatary. On page 13, paragraph 6.2, Mr Karran states – and I quote – ‘Mr Speaker’s report states (paragraph 4): ‘Appendix 2 also contains all correspondence relating to this inquiry that has been passed between the Secretary of the House and Mr Karran, Mr Downie and the Chief Constable.’ Paragraph 6.3 of Mr Karran’s paper then goes on to state – and I quote – ‘This is untrue. Appendix 2 of Mr Speaker’s report omits (*inter alia*) a highly significant letter from Mr Karran to Counsel to the Speaker dated 29th July 2002. This is reproduced in appendix 1.’ Hon. members, it is correct that my report states this; this is because the letter from the hon. member for Onchan, Mr Karran, was hand-delivered by Mr Karran to the Counsel to the Speaker after the Speaker’s report had been sent for printing. However, I did clarify in the House that my report only included correspondence received prior to the report being finalised when I presented my report to the House. I refer hon. members to the Keys *Hansard* of the sitting on 30th July 2002 at page K224, and I quote the relevant part of my speech: ‘Appendix 2 also contains all the correspondence received prior to my report being finalised relating to this inquiry that has been passed between the Secretary of the House and Mr Karran, Mr Downie and the Chief Constable.’ Hon. members, I think it is worth stating that as hon. members had received notice of the sitting by 27th July 2002, ask confirmed by Mr Karran in his paper at paragraph 5, then it would be obvious to any hon. member that the report had been or at the latest would be finalised on Monday before the sitting.

I can advise hon. members that I received a copy of Mr Karran’s letter dated 29th July 2002 and its enclosure immediately after the Secretary to the House had received it, and when I received my copy I marked the time and date of receipt, which was 12.30 p.m. on 29th July 2002. The matters covered in Mr Karran’s letter of 29th July 2002 have, I believe, been answered either by earlier correspondence and/or in my report. However, if I can refer hon. members to appendix 1 of the hon. member for Onchan, Mr Karran’s paper, and if you go about halfway through into the appendix, you will find the letter referred to by the hon. member in his paragraph 6. You will see that this letter dated 29th July 2002 contains two pages and that the enclosure consists of seven pages, identified as Table 1 to Table 5, and a summary page.

This is then followed by a further letter dated 29th July 2002, headed ‘Proposed Recall of the House of Keys 30th July 2002’. This letter, which arrived after the Secretary had received the first letter dated 29th July 2002 and enclosures, refers to background – the factual inaccuracy of Mr Downie’s motion – and refers to five pages of notes that had been forwarded, apparently in error, to the Secretary. (**Mr Karran:** Yes) I find it interesting that the hon. member for Onchan, Mr Karran, does not include these papers in his paper before hon. members. However, I believe that that has been deliberately done – not to include these five pages in his paper distributed to hon.

members – because of the content. However, it is not just because of the content; it is, in fact, because of the timing of when the content was produced, and especially the part where his notes go into the impartiality of me as Speaker. Remember: these notes were sent, in error, to the Secretary on 29th July 2002, of which I got a copy, and also prior to hon. members’, including Mr Karran, seeing my report and being aware of the results of my inquiries. In these notes, Mr Karran states the following under the heading ‘Impartiality of the Speaker’ – and I quote – ‘The Downie Allegations . . .’ Sorry, I will start again, Mr Speaker.

Mrs Cannell: Point of order.

The Deputy Speaker: Just a moment. Yes, thank you.

Mrs Cannell: Point of order, Mr Deputy Speaker. The hon. member for Castletown, Mr Brown, is now referring to notes of which members do not have copies, and we are covered by standing orders under that.

Mr Karran: They were sent out in error.

Mr Speaker Brown: No, sir, that is covered in Tynwald, not in the House of Keys.

The Deputy Speaker: As long as the hon. member is speaking to it and not relying on them, I do not think it is relevant. Carry on.

Mr Speaker Brown: Yes, thank you, Mr Speaker. I can clarify that in Tynwald I would have to circulate the document; under our standing orders, you do not. Mr Speaker, in the paper I am quoting from – and I will start again – in these notes, Mr Karran states the following under the heading ‘Impartiality of the Speaker’: (a) The Downie Allegations. I would express concern that the impartiality of the Speaker of the House of Keys has been compromised by this affair. The Speaker’s impartiality is a linchpin of our constitution. Unusually and wholly unlike, for example, the House of Commons, the Speaker already votes within the House of Keys on all issues and not merely to use a casting vote when the House is evenly split. It is even more unusual that the current incumbent for this leading parliamentary rôle is an individual who holds an unrivalled record of service as a minister. Given the close association of the current Speaker, in recent years, with the executive, it may be expected that the Speaker would be anxious to go out of his way to defend the rights of ‘backbenchers’ to rebut any such perception. The public suspicion may be that at least there is potential for the Speaker to misuse the Speaker’s powers in a political partisan manner’. So, hon. members, remember that these comments were put down by Mr Karran even before

the hon. member for Onchan, Mr Karran, knew the outcome of my investigation -

Mr Karran: I knew it when I went to see you in a kangaroo court.

Mr Speaker Brown: – into seeking proof of his comments before I had reported back to the House. At this stage, he did not know, nor did any other hon. member know, whether I was satisfied that he had provided proof as requested by the House or not. One has to ask who holds the position of bias. I can assure the hon. House that it was not, and is not, me. Mr Speaker, it is interesting that the hon. member actually believes that I should, to use his words, ‘go out of my way to defend the rights of ‘backbenchers’’. Hon. members, as your Speaker, I believe it is my rôle to defend the rights of *all* hon. members of this House, regardless of their position, and I have made that very clear on a number of occasions in statements to the House since becoming Speaker, and I will continue to do so without fear or favour whilst I remain Speaker.

The hon. member for Onchan, Mr Karran, continues, in paragraph 6 (2) of his paper, to question the issue of proof versus *prima facie* proof. I have covered that matter earlier in my contribution today, and in my report to the House on 30th July 2002 I gave the hon. member an opportunity, when I invited him to give evidence, to comment on this matter, and he did not.

With reference to the hon. member for Onchan, Mr Karran’s concern regarding the procedure adopted when I invited him to meet with me, I covered this matter fully in my report to the House. In paragraph 6.28 on page 16, the hon. member for Onchan, Mr Karran, quotes from my report where I cover his refusal to answer questions in relation to the detail of his affidavit, and then in paragraph 6.29 he states that my statement regarding this issue is untrue. The paragraph goes on to state – and I quote – ‘Mr Karran indeed answered questions in relation to the detail of his affidavit.’ Hon. members, if I again refer you to the *Hansard* report of the evidence given to me by Mr Karran on 15th July 2002, then I think you will see that the only answer he gave relating to any detail of his affidavit – if you can term answering about the legality of his affidavit as detail – was when I sought confirmation that the affidavit was duly and legally sworn. However, if, as I did, we mean the actual detail of the content within the affidavit, then if the hon. members look at the transcript of his evidence, he continually refused to answer any questions. For example, I asked him quite a legitimate question of clarification in relation to the matter – and I quote – ‘Quickly glancing at the affidavit, can I just ask you: can you clarify that you were not, in fact, referring to the film studio but, in fact, based on your affidavit, you were referring to the building company?’ Mr Karran’s response was – and I quote – ‘With all due respect, Mr Speaker, I have provided you with *prima facie* proof. Therefore, I will not discuss this matter further.’

Mr Karran: Because I was in the right.

Mr Speaker Brown: I therefore adjourned the hearing. In paragraph 6.30 of Mr Karran’s paper, he refers to my report and my comments in relation to me having no powers to summon witnesses. The hon. member then goes on, in paragraph 6.31, to state – and I quote – ‘This statement is misleading. It was open to Mr Speaker to request information from third parties.’ My reference to ‘no powers to summons witnesses’ was a clear reference by me to the refusal by the hon. member Mr Karran to identify those who he says provided him with information regarding this matter. I had no difficulty in obtaining information from any other party when it was requested.

The hon. member for Onchan then goes on to state in his paper, in section 6, subsection 8, headed ‘Mr Speaker’s Conclusions’, that my conclusions were flawed, distorted, speculative and highly misleading and that there were omissions. I believe I have answered these comments today, and I will leave it for hon. members to make up their own minds.

In section 6, subsection 9, under the heading ‘Mr Speaker’s Contradiction as to Precedent’, the hon. member for Onchan, Mr Karran, states that I contradicted my earlier comments in relation to Mr Karran giving evidence when I mentioned – and I quote – ‘there is no precedent in relation to procedure when dealing with such a matter as this.’ However, I was not referring to when and how the hon. member for Onchan, Mr Karran, and other parties gave their evidence, and if hon. members turn to paragraph 31 of my report, they will see that I was referring to the matter of my report and its contents and its availability to the public. Paragraph 31 of my report states – and I quote – ‘Clearly, this matter is of considerable public importance and interest. As there is no precedent in relation to procedures when dealing with such a matter as this, I have taken the view that transparency and openness are of paramount importance in such a matter, and I have therefore instructed that written copies of my report, along with all the written evidence presented to me, the *Hansard* of proceedings of evidence taken at the hearings and all correspondence relating to this matter, are to be available in a written report which will be available to the public from the reference library on the third floor of government office from 12 noon today.’

Mr Speaker, we now move on to the heading ‘Mr Speaker’s Report: Errors of Law and Interpretation’, and these are covered in the paper on pages 18, 19 and 20. In section 7 of the hon. member’s paper, he covers what he believes to be errors in law and interpretation. Most of these points I have already responded to. However, I specifically wish to refer to section 7(4), headed ‘Apparent Bias’. Here, the hon. member for Onchan states – and I quote – ‘Mr Karran’s affidavit is repeatedly challenged, whereas ‘evidence’ of other parties is largely accepted without question.’ When giving evidence, all those invited were questioned as appropriate and were given

an equal opportunity to speak. There was no bias one way or the other. It is true to say that the hon. member for Onchan, Mr Karran, made it absolutely clear at the hearing that he only attended the hearing out of respect for the position of Speaker. However, his actions, when invited to give evidence, were, to say the least, hostile and very defensive. I have to say that I was taken aback by his approach to this matter when he attended before me. I had agreed to assist him as much as I felt I could, in that I agreed that he could be accompanied and that he could have notes taken of the meeting. There was no reason for him to feel hostile or defensive at all. All I was doing was endeavouring to comply with the resolution of the House, which the hon. member, Mr Karran, had supported. Also, I do not accept at all that my report is so factually and legally perverse as to be unsustainable, as indicated in the hon. member's paper. I do not accept that the conclusions of my report are – using the hon. member for Onchan, Mr Karran's words in paragraph 8.2 of his paper – 'perverse, arbitrary and untrue' In fact, I take great exception to these statements.

I now move on to the heading 'The Rôle of Mr Speaker', which is covered on page 22. Section 9 of the hon. member's paper questions my rôle in this matter and my suitability for appointment as Speaker of the House of Keys. This, I believe, has much to underline his comments in relation to this matter and me. It has been obvious, since my election by this House as Speaker in November 2001, that the hon. member for Onchan is unhappy and does not accept the decision of the House and that he does not support me being the Speaker. I have no problem with that. He is allowed his own views. However, the fact is that a good majority of hon. members *were* content to elect me as the Speaker of the House of Keys. The point that I have been a minister for 15 years is irrelevant. It is a red herring. After all, I am not the first person who has previously been a minister to hold the position of Speaker. My predecessors who have been ministers and who were elected to that post whilst they were ministers were Victor Kneale, Jim Cain and Noel Cringle, and my immediate predecessor, the hon. member for Michael, had, albeit some years previously, also been a minister. I am fully aware of the responsibilities I have been given by the House, and I have, and will continue whilst I hold the position of Speaker, to carry them out as expected by hon. members. What matters is whether hon. members are confident that I am undertaking my duties as Speaker properly, with impartiality and fairly. That is a matter for hon. members to judge.

Mr Speaker, in paragraph 9.5, the hon. member questions my integrity in producing the report and questions whether the decisions are mine. I can confirm that the report *is* mine and that I would not endorse a report that I did not accept responsibility for. I can also confirm, as is usual practice, that the Secretary of the House and Counsel to the Speaker, as a senior officer of the legislature, advised me in this important matter. I can also confirm that no other

factors were taken into consideration, whatever the hon. member is alluding to in his paper, when I carried out my responsibilities on behalf of the House with regard to this matter and in compiling my report and its conclusion.

The hon. member for Onchan, Mr Karran, again infers that there is an apparent attempt to intimidate an elected member from asking difficult questions. Well, if there is, it is certainly not coming from me. I would remind hon. members of the statement I made in the House on 30th July 2002 immediately prior to reading my report to the House, where I made it absolutely clear that it is a fundamental right in a democracy for members to ask questions in the parliamentary setting. Let me again reiterate part of what I said in my statement as recorded in *Hansard* at page K224 – and I quote – 'Hon. members, the asking of questions in the House by hon. members is a fundamental right of a Member of the House of Keys. The only control over whether a question can be asked is governed by the House and under standing orders. The Speaker is the sole judge as to whether the question is in order and complies with our standing orders. If the question is in order, then even the Speaker has no right to stop the question being put. No other person can deny the right of a member to ask a question in the House, whether it be an individual, the government or a government minister. The right to ask questions in the legislature is unquestionably a fundamental right of a parliamentarian, and I can assure hon. members that I will continue to uphold that fundamental right within this House.'

I now move on to the heading 'The Rôle of the Counsel to the Speaker/Secretary of the House', and this is covered on page 23. Mr Speaker, section 10 of the hon. member for Onchan, Mr Karran's paper is absolutely appalling and disgraceful, as were the comments made in the House last week by the hon. member for Michael. For both hon. members to make such comments and accusations about the Secretary of the House, which are totally without any foundation whatsoever, and especially when they know that the Secretary of the House is unable to respond to their accusations, is absolutely disgraceful. Mr Karran also states, in his paragraph 10.4, that it would have been difficult for him to have sought independent procedural advice from the Secretary of the House. However, as the hon. member for Onchan, Mr Karran, knows only too well, if he did feel there was a conflict and felt unable or uneasy about approaching the Secretary of the House for advice regarding this matter, then he could have sought, as is normal, independent advice from his deputy.

We then move on to the heading 'Enforcing Keys Standing Orders', and this is page 24. In his paper, in section 11, the hon. member for Onchan, Mr Karran, raises concerns as to the operation of *possible* double standards in the interpretation and enforcement of Keys standing orders. He also states that somewhat stricter rules of interpretation and enforcement of

standing orders apply to Mr Karran than to other hon. members.

Mr Karran: That is true.

Mr Speaker Brown: I totally refute these allegations. The hon. member is treated with exactly the same impartiality as any other member. My interpretation of standing orders is given without any bias as to whom I am dealing with. I interpret the standing orders of the House as expected and required by the House to ensure compliance with the orders, interpreting them properly, fairly and regardless of who the hon. member is that I am dealing with or the subject matter, without any favouritism.

I have, at length, dealt with the points raised in his paper by the hon. member for Onchan, Mr Karran. Most of the same issues were also covered and raised by the hon. member for Michael in his introduction to the debate. I do not, therefore, intend to repeat my responses. As I said at the start, I will cover both at once and that, I believe, I have done. Mr Speaker, hon. members, I will reiterate that, in the remit given to me by resolution of the House dated 11th July 2002, I was not requested to carry out a full investigation into the matter; I was only requested to seek proof and report to the House as soon as possible. This, I believe, I did, and without bias, and I believe that my report and the conclusion in my report of 30th July 2002 'that the hon. member for Onchan, Mr Karran, did not provide me with *prima facie* proof' is valid. Once I have reported back to the House it is a matter for the House to decide whether they wish to pursue further the comments made by the hon. member in the House on 25th June 2002 in relation to question 8 or the substance of his claims. Thank you, Mr Speaker.

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

Mr Rimington: Thank you, Mr Deputy Speaker. The last contribution by the hon. Speaker has reaffirmed my belief that the course I am now taking is the correct one. Can I just say, first of all, that the amendment I am going to now circulate was prepared during the hon. member for Michael's speech at the opening of this debate last week. It is my amendment, as a parliamentarian; it is not the amendment of the Council of Ministers. I can say that whereas the proceedings of the Council of Ministers are, by statute, confidential, the fact that this was not discussed at the Council of Ministers would not be breaking any confidentiality.

The reason why I am bringing this amendment, which is to ask that the report should be considered by a select committee of three members who shall take further evidence on the matters at issue and report, is that I do not believe we have a useful forum on the floor of the House for actually finding the truth of the matter and coming up with a sensible resolution. We could take a vote on lines that are predetermined,

maybe, in people's minds, how they feel about x or y or z, but I do not feel you could take a vote on proper knowledge of the evidence that is before you. For instance, the hon. member for Castletown has made quite a lengthy contribution – and I have no issue with that contribution in any shape or form – but obviously he is reading through, he is referring to paragraph 4(2) to appendix 3 and to this, that and the other. If we were discussing this matter in a court of law, we would have spent considerable hours, if not days, discussing Mr Speaker's evidence, and there would have been cross-questioning and so on and so forth, which would have ascertained a lot more. I do not feel, with all due respect to the hon. member for Onchan, who is obviously not too interested in this contribution, that you would not be able to actually determine what are the rights and wrongs of the various issues that have been put forward by a debate like this on the floor of the House, where we have various *Hansards*, we have Mr Karran's report, we have Mr Speaker's report, we have Mr Cannan's notes on the issue and there are other bits of paper circulating around relating to this. Whether you feel this is the right manner in which you can take on board all the different evidence that is being presented to us and come out with a clear and sensible decision, I do not believe so.

In terms of my own particular views – and I do not want to express any particular views in any great shape or form – I believe that mistakes have been made by all parties involved in this matter to one degree or another and, as is usual with all such matters, no-one is 100 per cent right and no-one is 100 cent wrong. Who has the 90 per cent or the 10 per cent or whatever are issues which I feel ought to be extracted out by a more considered process, which I do not feel you will get from a debate at this point in time.

There are just three other points I would like to make before concluding. I stand by my remarks without qualification at this point in time on Thursday, 11th July 2002 on the substantive issue involved. Secondly – and this is the only issue in here that I wish to speak on publicly at this point in time – I am *not* content with the section related to the Secretary of the House/Counsel to the Speaker. I am appalled. Lastly, we have had a number of letters circulated, one, obviously, from the hon. member for Onchan, asking that we do not send this to a select committee and that we vote against receiving the Speaker's report. In that letter, the expression is used that to send it to a select committee is to 'bury bad news' and that also maybe by doing so we are not a parliamentary democracy but we are a banana republic. Well, I refute that. This is not an attempt to bury bad news. If you send it off to a select committee, as has been clearly pointed out before, then evidence is taken in public and it gives the opportunity for those who are on the select committee to question – and repeatedly question – people who are giving evidence. That gives them an opportunity to ask people to come forward to give evidence, and it is an opportunity for other people who wish to give evidence to come forward as well, and all the evidence

is then part of that final report. If the evidence is too large to actually produce a report, then it is obviously held in public for the public to see in the Tynwald library, and there are *Hansard* reports of all the evidence taken, so I believe that is the right way to go, and it is not trying to bury bad news. There are varieties of bad news involved with this whole issue and they cannot be buried because they are out here in the open now, whatever that is and whichever direction you come from, but the right way to do it is to go through a select committee. On the substantive issues relating to the question of the film studio and the various companies and this, that and the other related to that and whether it should go to the Public Accounts Committee, I am not saying it should not go to the Public Accounts Committee; that is something that I believe the select committee should discuss the viability and practicalities of, taking on board those substantive issues, in consultation with the Public Accounts Committee. I would not want to say it should be *the* Public Accounts Committee, because they may not want it, or that it should be *the* select committee, because that may not be appropriate, but that is an issue which would need to be considered and resolved in due course. Mr Deputy Speaker, thank you. I beg to move the amendment standing in my name:

Delete the words 'be received' and substitute –

'Considered by a select committee of three members who shall take further evidence on the matters at issue and report.'

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

Mr Gill: Thank you, Mr Deputy Speaker. I rise to second the amendment and, in doing so, if I could offer a few comments. I had not proposed to speak at any length on this matter as, in many ways, I feel that it is a matter between Mr Karran and his arch-enemies in the 'executive club', as he describes them. Of course, in saying that, I do realise that there are a number of issues in question about parliamentary conduct, adherence or not to standing orders and the scope of rôle of the inquiry, and I fully appreciate that and the fact that those appreciations have a bearing for all of us in this House and, indeed, perhaps, another place.

I do feel that these will benefit from further consideration by a select committee, as moved by my fellow hon. member for Rushen, and I look forward to all the issues being thus considered and hopefully resolved satisfactorily, but there is one element of Mr Karran's response document presented to the House on 22nd October which I do wish to comment on at a little bit more length, as I believe it goes beyond acceptable politicking. These are the matters referred to on page 23 of his response relating to the rôle of the Counsel to the Speaker/Secretary of the House, who he chooses to name. As I read these, they effectively can be summarised as: he alleges there is a

potential inherent conflict in these dual rôles; the alleged style of proceedings, which he feels were 'bizarrely disciplinary'; the loss of the Secretary's services to him as an independent source of advice; the Secretary's alleged bias in the execution of his duties and, attendant to that, a breach of natural justice to Mr Karran's detriment; and the Secretary's alleged rôle in failing to advise Mr Speaker against exceeding his rôle. Frankly, these concerns could all, in my view, have been laid against Mr Speaker, had Mr Karran so chosen, and it could have been done in the preceding chapter.

There is, as I understand it, a convention against naming an officer, who, of course, does not have recourse to respond. To have done so, particularly when these concerns could have been laid elsewhere more appropriately, in my opinion, smacks much more of a breach of natural justice than any detriment Mr Karran might feel he has suffered. (**Mrs Hannan:** Hear, hear.) I regret Mr Karran has taken the option he has; certainly he is pursuing his own agenda. Certainly he has much support in that, and indeed I support his right to question the executive, however uncomfortable this might be for the government, and I also believe that all members of this House will share that principle. However, to publicly criticise an officer who I have always found to be absolutely impartial, professionally thoroughly competent and a man who, it seems to me, has always behaved in a courteous, professional and proper manner, does Mr Karran no credit, and I would ask him to justify his choice of this break from the usual practice, the usual practice which, of course, is intended to place the onus on answering questions on those able to do so.

No-one can doubt Mr Karran's popularity across the Isle of Man. He has successfully cast himself as the only member willing to ask difficult questions in this House or, indeed, another place, and I congratulate him on this public image coup, but I am not certain it is a reflection of fact. Time will no doubt tell. I would, however, urge Mr Karran not to fall into the trap of believing all his own propaganda, and I would also ask him to comment on the matters relating to the Secretary and my concerns, as I have laid them out, about his laying them against an officer rather than Mr Speaker. I am supporting the amendment, as proposed by my hon. colleague from Rushen, to form a select committee, and I hope this unseemly business, which does no credit to this House, (**A Member:** Hear, hear.) can be resolved satisfactorily. However, in offering that support, I will conclude by reiterating my request to Mr Karran to advise this House about his choice of attacks on the Secretary of our House. Thank you, Mr Deputy Speaker.

The Deputy Speaker: Mr Karran.

Mr Karran: Vainstyr Loayreyder, hon. members, I rise to oppose the amendment calling for a select committee, but firstly, I think this hon. House should receive the facts. I have to say that I could not make

much of the input from the hon. member for Castletown, Mr Speaker, apart from, I must say, the procedures of documents that were withdrawn being used in a public forum, but then that is the style, isn't it?

Hon. members, I received a letter, dated 30th October, on 1st November from the Counsel to the Speaker, Mr Cornwell-Kelly. I understand how they have got to try and spin it away from this disgraceful affair. In the letter of 30th October, Mr Cornwell-Kelly states, 'I have had an opportunity last evening to examine the report which was circulated to members of the House of Keys at the sitting of yesterday, 29th October. Page 23 of the report contains very serious allegations about me, which I have no difficulty in defending myself against if I have an opportunity. As you know, I do not have an opportunity.' The Counsel to the Speaker added, 'In view of the convention that politicians do not publicly attack officials who are not able to defend themselves, I invite you to withdraw the allegations on page 23 of your report at the resumption of the adjournment of debate in the House of Keys on 5th November.'

Hon. members, I responded to the Counsel to the Speaker in two letters, by way of a letter of 4th November. Before going to correct several other inaccurate remarks of Mr Cornwell-Kelly's two letters, I responded to his invitation to withdraw what he calls 'very serious allegations'. In my letter, I wrote as follows: 'As to your letter of 30th October, I respectfully suggest that you are mistaken and page 23 of my response does not contain 'very serious allegations' about you nor any attack. I regret that I must therefore decline your invitation. I am grateful for the opportunity to expand on this a little further to set the record straight.' In my response to Mr Speaker's defective report, I did not accuse the Counsel to the Speaker, or even Mr Speaker, of anything. I did not make 'very serious allegations'. I did not even make any personal attacks. I simply provided the full textual, legal and factual response to Mr Speaker's report and its surrounding procedural circumstances.

Hon. members, there is no escaping the fact that the two key individuals in this episode were Mr Speaker and the Counsel to the Speaker. My response therefore added various points relating to each of them in turn. On page 23 of my response to Mr Speaker's report, I made two specific complaints: firstly, that in the full circumstances Mr Cornwell-Kelly, as Counsel to the Speaker, was effectively conflicted from his proper execution of his duties by virtue of his dual rôles; and secondly, I registered my complaint that it was apparent to me – it was hon. members, before we have the spin for the media – that, in the execution of his duties, the Counsel to the Speaker either displayed or condoned instances of apparent bias and breaches of natural justice to my detriment. Given the seriousness of the circumstances in Mr Speaker's report, I simply suggested that Mr Cornwell-Kelly should have gone out of his way to

demonstrate impartiality, in my opinion – *in my opinion*, hon. members. I am appalled at the members for Rushen and how we have seen they have had their ears whispered in. (**Mr Rimington:** Absolute rubbish!) If not so, hon. members, do we live in a totalitarian state? I hope hon. members are still permitted to express opinions in this hon. House – opinions. In my case, I did so, and I trust that was a reasonable and measured response. I also backed up what I said in my response with extensive evidence. What I did not do is go out calling anyone a liar or accusing them of making very malicious and damaging allegations, unlike what certain members in this hon. House did to me, hon. members. I did not make 'very serious allegations' nor anything that could be construed as an attack. In any case, I would only have withdrawn a remark if I believed I had made a mistake, Vainstyr Loayreyder. With all due respect to the current Counsel to the Speaker and Secretary of the House, I have not made any of the comments in relation to which he is mistaken. So, I respect Mr Cornwell-Kelly's right to comment on these matters relating to himself, and I do not want to stop that, but I respectfully suggest that, on this matter, he remains mistaken.

I have seen, Vainstyr Loayreyder, the veiled threats, and we have heard that that is why I asked for this issue to be put into *Hansard* about the possible litigation. It is an occurrence that I have had to come to live with and a way of creating fear within the community. The conclusions in Mr Speaker's report are perverse. They have been shown, with evidence, to be perverse, not only in my detailed response, but also in the report circulated by the hon. member for Michael, Mr Cannan, at last week's sitting. Hon. members, we have all the evidence before us today to reach a simple conclusion. Mr Speaker's report is *seriously* defective and *must* be rejected if there is to be any credibility in this House. We do not need a select committee. After all, we have a select committee in the fact that the Public Accounts Committee is already looking at the matter. The PAC will deal in great detail on the aspects of the affair, which relates to the public funding of the new film studio, (*Interjection*) but there would be no point in another select committee such as the amendment proposes other than, as I have said in the letter, to be a cynical attempt to bury bad news. Hon. members, those days are over on the Isle of Man; we must no longer bury bad news in select committees and hope that they have been forgotten about a number of months later.

The 'Manx Tales' column in September referred to the agonising goings on in the Manx Parliament in recent weeks. We must question whether the investigation by the Speaker of the House of Keys, Mr Tony Brown, was the appropriate course of action. What can be more damaging in the long run for the ordinary people than to give the impression that any MHK who speaks on sensitive issues relating to the private sector will be censored and subjected to an inquiry? Hon. members, the eyes of the world are upon

us as never before: last week, we had the International Monetary Fund; in several weeks' time, it will be the turn of the Lord Chancellor; and we know that the US Government and the OECD and many others are watching our every move. We are being watched, hon. members, and we will be seriously penalised if we fail in our duty to reject this report straight away. As the hon. member for Douglas East forcefully reminded us at last week's sitting, we are paid to read reports. If we cannot read and digest reports ourselves without the help of a select committee, the public will rightly say we are not doing our job.

In any event, if any issue needs to go before a select committee, it is surely the conduct of Mr Speaker and whether or not the comments on Manx Radio of the hon. member for West Douglas constitute a contempt on this House – unless the rules have changed in my 17 years of being here. Yet again, I have to raise the issue that there seems to be one rule for the hon. member for Onchan, Mr Karran, who sees a straightforward housekeeping matter of seeking *prima facie* proof elevated into a full-blown investigation. Meanwhile, the hon. member for West Douglas, Mr Downie, goes on Manx Radio to say that I have told lies and I have made very malicious and damaging allegations and, as far as I can see, absolutely nothing has been done – nothing, and this is not the first time. (*Interjection by Mr Downie*) I have been proven right to ask my questions and I have provided *prima facie* proof when I was asked to do so. I am the one who has to instruct lawyers, spend the first month of the recess trying to sort out this gobbledegook of the procedures that was inflicted on me, and take time out from my constituency work to respond to an apparently spurious set of procedures, whereas Mr Downie can apparently call me a liar with impunity. I may have put up with double standards before, hon. members, but I will not put up with them any longer.

Mr Downie: Prove I am wrong.

Mr Karran: Nor should you, because there but for the grace of God go all. If someone else is wrongly accused and is subject to a stitch-up job by this hon. House, whether or not I personally like them, I will defend their right. This is not about Peter Karran or about whatever you want to say, hon. member for Rushen; this is about the rights of any hon. member of this parliament to be able to carry out his or, as the hon. member for Peel is always on about, her democratic duties.

So, the only select committee we need, if we need one at all, is to look at the conduct of Mr Speaker and to look at whether the comments of Mr Downie constitute a contempt. We may also look at the enforcement of standing orders under Mr Speaker Brown, but what we certainly do not need is a select committee to help us decide whether or not to receive Mr Speaker's report. Just imagine how foolish it would be when the select committee reports months from

now and we need another committee to help us decipher that report. The hon. member Mrs Cannell is quite right: we have all the information we need before us to help us to reach a decision. Mr Speaker's report is the produce of a procedurally flawed process that has been proven beyond doubt. Mr Speaker's report contains numerous serious errors of fact, interpretation and law, including apparent bias and unfairness or breaches of natural justice and omissions. The conclusions in Mr Speaker's report are perverse, both in fact and in law. What more information do you need, hon. members? Mr Speaker's report was conceived and born in serious error. If we vote to allow a select committee, we will make a laughing stock out of this hon. House. The earth will not stop rotating, hon. members, if we reject Mr Speaker's report and if we reject a select committee. In fact, people outside will say, 'Well, they may have made mistakes in the past, but they are certainly trying to put the House in order now.' It is so important that we are seen to defend the right of hon. members to scrutinise the government of the day. That is the main democratic function of a parliament. Hon. members, my ability in French may not be much better than my ability in English, but there was one French philosopher, a chap called Voltaire who said, 'I disagree with what you say, but I will defend you to the death for the right to say it.' Hon. members, you may disagree with what I say, even though I have been proven right.

Mr Downie: Let us see the proof.

Mr Karran: You have had the proof, sir.

Mr Downie: I have not seen it.

Mr Karran: You have had the proof. You had it in your letter just before –

The Deputy Speaker: Address the chair.

Mr Karran: Vainstyr Loayreyder, as I said, this issue is not about Peter Karran but about the right of every member of this hon. House to carry out his or her democratic duties. If you vote for a select committee, the Manx electorate will never forgive you. I remind hon. members that each and every vote on this issue will be recorded and will be publicly quoted in the future. I beg that the select committee should not be supported as far as this House is concerned. I believe the bottom line is that it was wrong, it was a wrong report, it reflects badly on this House, and it should not even be received. That is what I believe, Vainstyr Loayreyder. (*Applause from the public gallery.*)

The Deputy Speaker: Can I just remind the audience, the good folk who are listening to this debate, that this is not the manner in which our debates are conducted. We want an ordered reception to the

debate; we do not want clapping and cheering. That is not acceptable.

Could I just clarify one point with the hon. member for Onchan? You have referred to rejecting this motion. I notice the motion is to receive. I just want to be quite clear: you are not moving an amendment?

Mr Karran: No, I believe there is no need for a motion. I believe that members should reject the receiving of this report, Vainstyr Loayreyder. There might be a procedural way of proposing that so that people can vote on that, and I will do so, that the Speaker's report should be rejected.

The Deputy Speaker: Hon. members, I think it is timely that we adjourn now for lunch, and we will sit again at 2.30.

The House adjourned at 1 p.m. and resumed its sitting at 2.30.p.m.

**The Speaker's Report to the House
re Mr Karran's Allegations –
Debate Concluded –
Motion Carried**

The Deputy Speaker: Now, continuing with item 3 in our order paper, Mr Cretney is the next I have on my list.

Mr Cretney: Thank you, Mr Speaker. It's been suggested by some parties that my amendment to Mr Downie's motion of 11th July 2002 was part of some executive collective responsibility action, and nothing could be further from the truth.

Mr Downie, at the meeting of the Council of Ministers on 6th July 2002, informed us retrospectively that Mr Speaker had approved him placing a motion on the order paper of the House of Keys of 11th July 2002. There had been no prior notice at all given by Mr Downie of his intentions in my presence. What actually happened was that during the debate on Mr Downie's motion, the hon. member for Ayre, Mr Quine, spoke at some length (*Hansard K206, K207, K208*) on this matter, and in particular Mr Downie's chosen course of action. He referred, and I quote, 'What has happened here is that the hon. member for West Douglas has sought to pursue this matter by way of what it tantamount to an indictment, because the words he has contained in the motion amount to little short of an indictment and, if there was any question over that fact when he introduced this motion, he made it quite clear that it was intended to be an indictment because he listed matters completely outside of what we have got here today, matters which he called allegations of abuse. Now, if you put together what we have in the wording of this motion and take

into account the manner in which this motion has been introduced and the allegations of abuse made, it is apparent to me that, for whatever reasons, the hon. member for West Douglas has sought to pursue this matter by way of a confrontational process which, to my mind, amounts to little more than an indictment. Yes, of course it poses two questions of course the wording contains a question, but if you read the questions I do not think that you could come to any other conclusion than it poses a question in a form that is rhetorically structured. In other words, it is the same thing as a statement. The hon. member for Ayre in his presentation had made it quite clear that there was a *bona fide* method of addressing this issue, provided for in standing orders. The hon. member, Mr Quine, stated, and I quote again if I may, 'As Mr Speaker has advised us of course, there is a case to claim, as indeed it has been stated there is no need to make a claim that it is covered by standing orders in that provision is made for Mr Speaker to require an hon. member to substantiate any statement made. The practicalities of Mr Speaker doing so in respect of supplementaries, I think, are quite obvious. It is a much more difficult decision to do instant evaluation of a question which comes by way of a supplementary, but even if, at the time a supplementary question is asked, Mr Speaker does not deem it necessary or in this case, Mr Speaker made a comment, but even in circumstances slightly at variance with this where he does not deem it necessary to make the comment, the position remains that it is open to Mr Speaker on the one hand to later reflect on what happened and invite the member to offer an explanation in respect of the information which he used in that particular question or debate and is equally open to any hon. member who feels offended to contact or write to Mr Speaker, and say, "Mr Speaker, will you initiate this action?" Mr Speaker has made it quite clear that he has not had such a request made to him of the action to be taken, and I believe that this is important in relation to the motion that is before us today because there is a permissible procedure. Mr Speaker has again been quite clear about this. It is not a mandatory one, but there is permissible procedure which is prescribed to deal with these situations. If statements are made and there is a question over the veracity of that statement, there and then Mr Speaker can question and request support for that statement or Mr Speaker can later call for support or seek to invite the member to support the statement he made, or it is open to anybody within the House to do likewise. He can contact Mr Speaker, he can write to Mr Speaker and the matter can be dealt with in that way, and of course we are all aware of cases where at least the two contingencies I have referred to have been dealt with in that way.'

Mr Quine is not a member of the executive presently and, in my opinion, the hon. member was suggesting a non-confrontational procedure provided for under our standing orders. However, he did not choose to put his ideas or suggestions before the House. I thought about what he had said as the debate

continued and chose to test the feelings of the House on this issue. I did so on the basis that this time we have a number of external challenges, and now more than ever we need to work together for the good of the Isle of Man – no other reason whatsoever.

My amendment required *prima facie* proof, not any other type of proof, as provided for under standing order 49(3). It is my opinion that the hon. member for Onchan, Mr Karran, who like myself has served here for 17 years, when called before Mr Speaker did not enjoy the privilege this House provides, yet was prepared by way of sworn affidavits duly authorised by a practising advocate to present *prima facie* proof – that is, that there is a case to answer, and the action, in my opinion, to follow that is that the Public Accounts Committee investigate the evidence provided and call any parties they may choose to. The hon. member for Onchan had every right to protect the anonymity of his informants. We have an hon. member with a sworn affidavit; I do know what more you need that that.

I am now accused by some of backstabbing, on behalf of the executive, my hon. friend, Mr Karran. Again, nothing could be further from the truth. I was attempting to move things forward in a non-confrontational way and by some I am now being perceived as some part of an executive strategy. Can I say, Mr Speaker, I would not have voted for Mr Downie's motion, and I believe that is a view shared by others in here, including some ministers. I very much regret the way things have turned out and still hold to the view that the sooner we get on with working together for the Isle of Man the better, and the sooner the Public Accounts Committee consider the issues raised the better. We do not need a select committee to consider this matter; parliamentary scrutiny is provided for by the Public Accounts Committee.

The Deputy Speaker: Mr Rodan, hon. member for Garff.

Mr Rodan: Thank you, Mr Deputy Speaker. I believe that the hon. member for Castletown, Mr Speaker, was correct in that his rôle was very clearly not to conduct an inquiry but to seek proof on one particular issue of the many issues under debate recently, and he has done this in his report. At the July sitting, I did not support the amendment that Mr Speaker should conduct an inquiry on the issue and report back to the House. I was one of three members who did not vote for that amendment, the other members being the hon. member for Onchan, Mr Karran, and the hon. member for Michael, Mr Cannan, and the reason was that I was of the view then that all matters should be fully investigated. Once the genie is out of the bottle, you cannot put one small part of it back in and hope to contain it. I remain of that view and have had that view reinforced more than ever from all we have been told last week and this week, that the matters should still be fully investigated.

The flaw that we have heard today in criticising Mr Speaker's report is to allege shortcomings in an investigation he was never actually asked to carry out. His report was confined to one issue only. Therefore I say let us have the rest of that full investigation now. The question, therefore, is the vehicle to carry out this investigation: should it be the Public Accounts Committee or a select committee?

The Public Accounts Committee would certainly investigate all the matters that have been referred to in connection with the Department of Trade and Industry, private companies of one shape or form and their relationships or not with government, and their receipt of not of public moneys and all the matters surrounding that, but would it be appropriate for the Public Accounts Committee? Would it be capable of pronouncing on Mr Speaker's report? The Public Accounts Committee would be charged, certainly, with the duty of looking at commercial matters and all these other matters, but what of allegations of procedural irregularity that have been lodged against Mr Speaker? I do not believe it would be the rôle of the Public Accounts Committee to look at that, but whatever that committee does do it will need specialist legal and accountancy advice.

Would, therefore, a select committee be better? Well, that committee would still need specialist advice, I would suggest, and it would certainly not act any more quickly. Like the Public Accounts Committee, it would have the power to summon witnesses, sit in public or sit *in camera*, so in that regard it would be no more advantageous, but what is absolutely certain is that the setting up of a select committee would prolong this investigation unnecessarily, it would not bring an end to the matter in totality, it would keep alive the question of the procedural irregularity allegations that have been levelled, and I would say Mr Deputy Speaker, we need to get to the bottom of this as quickly as possible.

Whether the report today, the subject of the motion, should be received or dismissed will be a matter for the House, but let us do one or the other with that report and get on with getting to the bottom of the other matters through the medium of the Public Accounts Committee, as my hon. friend for Douglas South, Mr Cretney, has said.

I would just like to make a final comment. This matter, what has been said and the way that things have been said, has left a very nasty taste around the place. It is awful, and for a servant of this parliament to have been maligned and had his professional integrity called into question publicly has been particularly regrettable. (**A Member:** Hear, hear.) The hon. member for Onchan, Mr Karran, quoted Voltaire, and just at lunchtime I looked up the book of quotations to see what else was said by or about Voltaire, and the historian Blake, said 'Mock on, Voltaire, 'tis all in vain. You throw the sand against the wind and the wind it blows it back again.' The sand that has been thrown on this occasion is coming straight back into all our faces, it is causing

considerable pain to people, and I suggest that we get on with the investigation and get to the bottom of all this – once that genie is out of the bottle it cannot be put back.

The Deputy Speaker: The hon. member for West Douglas, Mr Downie.

Mr Downie: Thank you, Mr Speaker. I have asked the Secretary to circulate papers, which I would like to do under privilege, and I would like to start my contribution to this debate by dealing with the allegation that I was in contempt of this house when I spoke on Manx Radio. I would just like to make it perfectly clear that, as far as I am concerned, the comments I made were, and remain to the best of my knowledge, correct. Given the circumstances under which we are debating the issue before us today, it seems ironic, to say the very least, for the member for Onchan to be questioning the right of another member to speak openly and freely.

The fundamental fact which I would urge members not to lose sight of is that this whole matter arose because the member for Onchan alleged in this house, that (1) the police had been called out to the new film studio because of an altercation of a dishonoured cheque, and (2) that the company building the film studio was insolvent. I believe these allegations to be without foundation, and put forward a motion to this House that the allegations made by the hon. member for Onchan with regard to Island Studios Limited be referred to the Consultative Committee of the House to investigate and report whether in all the circumstances they were an abuse of privileges of a member of the House, and abuse of the procedure of the House or a breach of standing orders and report. The House accepted an amendment moved by the hon. member for Douglas South, Mr Cretney, which meant that Mr Speaker was requested, in line with Standing Order 49(3), to seek proof of the comments made by the hon. member and to report to a special sitting of the House to be convened as soon as practically possible.

I am sure that much will be made today of the procedural issues, which have since been raised by the member for Onchan, Mr Karran, and I readily accept his right to have these matters clarified. However, as regards the issue from which all of this originated, I would remind hon. members that despite investigations and a comprehensive report from Mr Speaker, a 75-page response to that report from the member for Onchan, and a 14-page speech from the hon. member for Michael, we have still not seen one single shred of evidence which might even come close to substantiating (*Interjection by Mr Karran*) the allegations which were made. (**Mr Karran:** Resign!) We have had a massive smokescreen thrown up by (*Interjection by Mr Karran*) those who are advising the member for Onchan -

The Deputy Speaker: Mr Downie has the floor. Carry on, hon. member.

Mr Downie: – and all sorts of innuendo and irrelevant questions put about in an attempt to confuse hon. members and to divert attention away from the basic issue.

The simple truth is that a private individual, resident in the north of the Island, was prepared to devote his time and not an inconsiderable sum of money out of his own pocket to build a film studio on the outskirts of Ramsey. He applied for and was offered grant assistance towards the costs in accordance with the DTI's well-established financial incentives. Since then, this gentleman – and this is a very apt description of him – has faced obstacle after obstacle, persistent, unpleasant and unfounded allegations and attempts at public character assassination, the reasons for which have never been properly justified or explained by those who have been behind them.

I would ask hon. members to reflect very seriously on whether this is the way the Isle of Man parliament wishes to be seen to be dealing with investors who are prepared to come here, work with government at trying to create new industry and the employment opportunities which come with it.

As far as I am concerned, we have nothing whatsoever to hide in the DTI and we are prepared to answer all reasonable questions regarding our involvement in this project. What I would say, however, is that most if not all of the questions that have been put forward in relation to our situation are matters which properly fall to be examined calmly and dispassionately either by the internal government auditors, the external auditors or, if deemed appropriate, by the Public Accounts Committee. I would be more than happy for the issues relating to the DTI support for the film studio to be referred to the Public Accounts Committee for consideration to see if further investigation is warranted.

I come now to what I believe to be the most important question surrounding this whole affair, and it is one to the best of my knowledge that, no-one has really thought to seek an answer to. The question is, why has the hon. member for Onchan, Mr Karran, pursued this issue so tenaciously when he clearly has very little evidence to go on and when it is evident from the sheer volume of paper and research that has been undertaken that there are others working with him to discredit those behind the development of this film studio?

Mr Speaker, with your permission, I wish to draw hon. members' attention to the contents of a letter which was sent to me by the prime investor in the studio project, Mr Don Westacott, and dated 23rd August 2002. In that letter Mr Westacott requested that the government valuers be invited to carry out a valuation of the studio site and buildings. He also asked that any inquiries by the Public Accounts Committee should be carried out as soon as possible. These, I suggest to hon. members, are not the actions of someone who has anything to hide, but they do reveal the frustration experienced by someone,

who, having tried to co-operate fully with this House in relation to the investigation carried out by Mr Speaker, still found himself vilified in continued public utterances by the member for Onchan, Mr Karran.

I now refer to the next section of Mr Westacott's letter, in which he refers to the revelation by Mr Karran of the names of two of his researchers. These are presumably the people who have provided Mr Karran with the misinformation and damaging half-truths on which this whole unpleasant attack on Mr Westacott's integrity has been raised, and Mr Karran has made reference to them in this -

Mr Karran: A point of order, Mr Speaker. Will the minister assure this House that he does get it right this time? The last time he was accusing another innocent person in this House.

The Deputy Speaker: That is not a point of order. Carry on.

Mr Downie: The names of the hon. members' advisers were circulated in the *Isle of Man Examiner* on Tuesday, August 13th and Mr Karran himself for the first time reveals the names of people he refers to as researchers, and amongst these are Quintin Canty and John Bannister.

Mr Karran: Got it right this time!

Mr Downie: Two of the people who were named by Mr Karran, as hon. members will see from the letter, were engaged in the past by one of Mr Westacott's companies to carry out some consultancy work. This involved the preparation of marketing and strategy planning and, as part of their work, these individuals had full access to Mr Westacott's confidential business files. I am not in a position to judge all the rights and wrongs of the evident falling out between these two individuals and Mr Westacott, but suffice to say that a major falling out there obviously was, and there are evidently still unresolved issues between the two parties.

As I said in my reply to Mr Westacott's letter, the involvement of these two individuals is clearly a relevant factor in this whole sorry affair, and I am somewhat surprised that, given that they were advising the hon. member for Onchan, he did not even deem it necessary to disclose their past rôle in relation to Mr Westacott's business to Mr Speaker when he had every opportunity to do so. Mr Westacott has provided further information to the department on his dealings with the two named persons which serves to further support his stated view that the involvement of these individuals explains their motivation behind the attacks he has suffered. He believes that their scurrilous attempts to sabotage his efforts and good name by supplying mischievous and unfounded and misconstrued information amounts to harassment and is being perpetrated out of pure spite. (**Mr Karran:**

Rubbish!) I ask hon. members to reflect: do they really want to be a party to what is increasingly looking like a personal vendetta against an individual who has not been found guilty of any offence whatsoever and who is effectively being denied any right or reply or representation? This is not the case of anyone trying to prevent free speech or to stop a member saying what he genuinely believes; it is coming down to an unpleasant and grubby attempt at discrediting an individual for reasons which are a million miles from the high principles of honour, democracy and human rights, to which the hon. member for Onchan so rightly and justifiably aspires.

Mr Speaker, I urge the hon. member to examine his conscience very carefully. In his heart of hearts I hope he will accept that his rôle in this whole sorry episode has gone on for long enough and that we should now all be getting on with meeting the very considerable and real challenges which face our Island. If there are genuine concerns we have the mechanisms at hand to address them, but I think we will be doing the reputation of this hon. House a serious disservice if we continue to allow the privileges which you would afford us all to be abused as it seems that they have been over this particular matter.

Finally, Mr Speaker, I wish to refer to part of the new evidence that was circulated yesterday by the hon. member in which he informs us that the company which built the steel superstructure of the new film studio was known to be in severe financial difficulties for some time prior to 2002, finally going into receivership just 16 days after he had questioned the Chief Minister. Finally, Mr Speaker, the hon. member comes up with the evidence we have all be waiting for. Here is justification and a clear reason why he made the allegations he did of the insolvency of the company building the new film studio. Well, I am sorry, hon. members, once again the hon. member Mr Karran did not trust us enough to share this information with us at an earlier stage. If he had done, Mr Speaker, we could have told him that the company who were contracted to provide the steelwork to the film studio was Allied Steel Frame Structures Limited, a privately owned company - which has nothing whatsoever to do with any of the companies listed in the hon. member's papers as having been put into receivership, and I can produce a document here from KPMG, who were the receivers of these companies; this will be available for the Public Accounts Committee or any other committee that may be involved, and KPMG say they confirm that KPMG have not been appointed as receivers of Allied Steel Frame Structures Limited, company number 03752150, and in another document from Allied Steel Frame Structures Limited, 'Further to your letter today, I would like to categorically confirm that none of the companies mentioned in your correspondence have any relationship whatsoever with my company, Allied Steel Frame Structures Limited. ASW Holdings Limited were and are unknown to me and my fellow director Mr Stephen Hall. The name "Allied" is obviously quite common and there seems to

be a misunderstanding on someone's behalf. Please feel free to confirm this with Companies House.' This is a company alive and well and living in Derby and the provided the steelwork for the film studio.

So once again, hon. members, we have been supplied with uncorroborated and incorrect information, this time circulated to the public arena on House of Keys paper which will presumably have been supplied to the hon. member by his advisers.

I would urge you: open your eyes to what is actually going on here and receive the Speaker's report, content in the knowledge that the department and the company which has built the film studio are actively supporting the suggestion that the matters relating to the grant to Island Studios Limited should be referred to the Public Accounts Committee for consideration. After listening to my hon. colleague, the hon. member for Rushen, Mr Rimington, if we do put this to a select committee, we are just going to prolong the issue even more. The Public Accounts Committee, in my opinion, have authority to ask for legal advice, they can bring accountants in, and they can even bring quantity surveyors and other people in to look at the film studio. There has been a recent valuation carried out down there, independent of the department; that is a substantial investment in the Isle of Man, and I can assure hon. members that government's investment in that project is more than covered. Thank you, Mr Deputy Speaker.

The Deputy Speaker: Thank you. If I could call on the hon. member for East Douglas, Mrs Cannell.

Mrs Cannell: Thank you, Mr Deputy Speaker. To my way of thinking here today, there are two issues that members have been referring to. The previous speaker referred to the basis of Mr Speaker's report, in that he alleges certain allegations were made which he believes were untrue and, of course, the hon. member Mr Karran claims they are true, so there is a discrepancy there on the one hand between a genuine question and a genuine supplementary question put, and what has transpired since then. The second part of the issue, to my mind, is the actual report, which is the substance of debate today – whether we receive this report. Of course, by moving and seconding this particular item, it has given members a week to look at the reports and to consider the reports and also for some debate today. Unfortunately, but as anticipated, it has been, at times, quite passionate and quite heated and certainly full of feeling.

It is sad that we have arrived at today, and I know hindsight is a wonderful thing, but I recall when the question was actually put by the hon. member for Onchan to the Chief Minister at the time, and I remember him putting the supplementary question. I recall thinking, 'I hope this is received and treated in a statesmanlike fashion, because otherwise all sorts of hares will start running all over the place.' Unfortunately, in my view, it was not dealt with in a statesmanlike fashion, and when I say 'statesmanlike'

fashion', when the hon. member for Onchan, Mr Karran, put the supplementary question, I believe it would have been, and in future it would also be, far more appropriate to respond in a positive way to embrace any member's concerns when raised in Question Time and to say they share their concern, they are equally as alarmed as the member and, as soon as the parliamentary session is finished, they will look into it and come back to the member. And that kills it dead there and then; there are no hares running anywhere. The concern is taken seriously, it is given the consideration that would be expected and it is the end of the issue. It is the end of the affair. What happens then, of course, is that members will look into it, there will be discussion and so on and so forth, and an agreement to comprise or whatever could and should be reached. It should not be on the floor here. Yes, I am all for healthy debate; I am not taking, and will not take, part in any debate which centres on one member going for the other member's throat and *vice versa*. That is what can be perceived as being damaged in any democracy. To act and behave and respond in a statesmanlike fashion in the first place could have prevented what is happening today, but we are faced with what has happened and we are faced with the report.

I have concerns with the report. I have concerns with the procedure that was used in order to instigate Mr Speaker to look into it and to produce a report because, in my view, we were using a parliamentary procedure that did not exist. That was the first problem. In the relevant standing order, where the Speaker *may* call for *prima facie* evidence, it is up to Mr Speaker of the day to do that of his or her own volition; it is not necessary, in my view and in my understanding of standing orders, for any member in this hon. place to request the Speaker to look into it. It is up to the discretion of the Speaker whether or not he or she exercises that standing order that says 'may', but equally may not, call for *prima facie* evidence. Mr Speaker did not call for it but, because the swords and the daggers were drawn, it was not going to be finished there; it was going to go further, and so we ended up with a motion on the table moved by the hon. Minister for Trade and Industry. That was subsequently amended, which again just made a more sorry situation than the one we were facing. We were looking at a procedure that did not exist, and then it was further amended.

Mrs Hannan: It's up to the House.

Mrs Cannell: And then Mr Speaker was charged with going away and conducting whatever he could in order to put together the report, and I have sympathy for Mr Speaker. I have sympathy for the Minister for Trade and Industry, because of all of the substance to this happened before his time; it happened when I was a member of that department, and the minister of the day then was David North, but he was in charge of the Film Commission, and the only member of that

department he imparted information on that subject to was the hon. member for Rushen, Mrs Crowe. I and the hon. Member of the Legislative Council, Mr Crowe, never took part in that and we never received very much information on that, so I have a lot of sympathy for the minister of today, because he is trying to defend a situation that happened before his time, (*Interjection*) and he has to depend upon information that is given to him by officers. I am not calling anybody into question; I am just saying the way I see it.

A Member: Nothing to defend.

Mrs Cannell: But when we look at the report, obviously time was of the essence. Mr Speaker had indicated he wanted to get it sorted so that members could have a break – and many members were in need of a break, I might suggest – and the letter that went out on the 17th July this year from the Counsel to the Speaker to the Chief Constable was hand-delivered on 17th July, but the Chief Constable only had until the close of business on Friday 19th to submit to the question posed in the letter. We have heard in debate today that the police had no record of any such altercation et cetera, but members have got a copy, within this report, of the letter, and it said in the second paragraph, ‘If more precision in terms of date is available, then I will be pleased to call for further research in an effort to satisfy your enquiry.’ That would suggest to me, having a suspicious mind as I do – and I make no apologies for that, Mr Deputy Speaker – that he had insufficient time to properly check whether anything had ever been recorded. And it may well not have been logged by the police as an altercation over a dishonoured cheque; it may have been logged under something else. So, I think time was a little bit tight there.

The one thing I do have a concern about. . . And I did not have time at lunchtime to look for clever sayings by clever people of the past; what I did, though, was consult two lots of independent legal advice, and I understand another member sought a third legal opinion. This is in terms of the question of privilege, and I would suggest that the reason why the hon. member for Onchan, Mr Karran, was not helpful, as was suggested earlier, in his responses to questions put at the meeting with Mr Speaker and the Clerk and Counsel to the Speaker was that he said, on page three of the report here, ‘given the fact that I am not legally represented’, so straight away that hon. member was extremely cautious about what he said. He felt satisfied that he had provided the *prima facie* proof. Of course, there is a discrepancy between what constitutes ‘proof’ and what constitutes ‘*prima facie* proof’, so we have a difference there and he had to deal with that, and this may well explain why the hon. member believed that he did not have privilege. So, indeed, he was very guarded and had to be careful what he said, because he could be open to litigation. (*Interjection by Mr Karran*)

I found it quite interesting when we heard the move to propose a select committee, and I began to look into whether or not people who are called to give evidence to a select committee have privilege.

A Member: Yes, they do.

Mrs Cannell: And of course they do under the Tynwald Proceedings Act 1984, but I have had varying legal opinion. I have had one legal opinion from someone who is very experienced in this area and who tells me that, given the fact that it was the House that directed the Speaker to look and report back, anyone giving evidence to Mr Speaker as a consequence of that motion is covered by privilege because it is a parliamentary matter. Further, that legal opinion informed me that if ever any of this issue were to get to a court of law, the court would have regard to that – to this Act – and the likelihood is that they would probably rule that those members going to give evidence had privilege. We have the hon. member who felt he did not have privilege. The Attorney-General was consulted at lunchtime, and his understanding and his ruling is that anybody being invited to go and speak to Mr Speaker did not have privilege, and so further independent legal advice was sought, which said they did have privilege. So, clearly we have a discrepancy there and, because of the lack of knowledge in terms of what is privilege and what is not, what is covered and who is covered and who is not, and so on, this report, Mr Speaker, really could not get very far, to be frank with you; that is my interpretation. And so, there are procedural questions as to whether or not it should have happened. We did not have a procedure for doing what was done, and this is why we are in this sorry state of affairs today.

So, we had the hon. member, Mr Karran, being guarded about what he said. There seemed to be some confusion from Mr Westacott and also from Mr Slattery in all sorts of things in here: there were lots of things, ‘Oh, we thought our advocates knew this, but they did not’ and all of this which, I think, needs clarifying really, properly. But when you go to page 13 of Mr Speaker’s report of the *Hansard*, Mr Westacott asked, ‘Are we in strict confidence here, or is. . . ? I am sorry, but –’ The Speaker then advised, ‘If you take a seat. It is important that the recordings are dealt with. Clearly I have a responsibility to report back to the House. That report will be made in public. Therefore anything that is given as evidence here is potentially subject to being made public.’ Fact. That was correct. Mr Westacott went on, ‘In that case, Mr Speaker, we do not have any evidence. We just have ideas about how we are being attacked’ and, of course, the hon. previous speaker, the Minister for Trade and Industry, circulated papers which I assume have something to do with what Mr Westacott was alluding to. On the same page, of course, there was a bit of an exchange and Mr Westacott says, ‘I would hate to be sued’, and Mr Slattery said, ‘It is not something you should be saying anything about – I

assume he is talking to Mr Westacott here. Mr Westacott replies, 'No, okay. Then I am sorry'. The Speaker, 'No, that is okay', and Mr Westacott, 'I have nothing further to add.' And then the Speaker said, 'I mean, it is clear you are giving evidence and you need to be careful; I think that is the honest answer to you. You have no privilege in here.' As I have said to hon. members, Mr Deputy Speaker, I have a variance of legal opinion as to whether they had privilege or not, so we need to clarify that, and then maybe we could get down to the bottom of that. The privilege aspect is very clear.

Mr Cretney's amendment: I do not know what sort of advice Mr Cretney took on that amendment. Clearly, I believe he was trying to be helpful but, as I have said before, it actually just made the pudding sourer. He had already soured it by going through with a procedure we did not have.

I just mention about the Secretary of the House and Counsel to the Speaker. I think we have to acknowledge that this appointment is a new appointment, and so, although we have an eminently experienced individual in all sorts of aspects of law and life, he is still relatively new to this House. And so we had a new speaker. We had the question of 'Do you have privilege or do you not have privilege?' We had the question of 'Was it parliamentary procedure or is it not parliamentary procedure?' So we have got a bit of a mess to get sorted, but under standing order 177(2), to my knowledge and my interpretation, the Secretary of the House can be asked by the Speaker to make a comment, and it does not necessarily have to be just on bills that we are passing. The Speaker has the power under this standing order, and clearly, if this standing order is not relevant and there is no such standing order, then the Speaker has the power to interpret as he or she sees fit. Some of us who were here before the departure of our previous Secretary can recall and will recall that, on many occasions, previous Speakers have called upon the Secretary to explain a point or whatever. It could be to do with legislation, it could be to do with procedure or whatever, but the Secretary can be called upon to comment, so I think it is unfair to say that staff, whilst they are servicing us in this hon. place and in another, are silenced. Yes, they are silenced in terms of not being able to indicate they want to speak – they do not have freedom of speech – but they can be invited to speak to clarify a situation. That was not exercised and it could be exercised.

I believe Public Accounts could look at this, but I am a bit wary, not about the ability of the Public Accounts Committee or the power they have, because it is right and it proper, but I keep thinking back to the old hospital scenario – the new hospital – and the financial collapse of Crowe EPH. Public Accounts got so far before the general election and then reported and said they had got so far and gave us a series of options to take, and we voted to support that they revisit after the general election and pick it up and run with it again. Questions have been asked since that time and responded to: yes, it is not appropriate to pick it up

again yet, but it is still there and we will pick it up eventually. We could end up a situation like that here, because we are talking about sensitive business transactions, commerce and the film industry, and you could get to a point, if you just referred it to the Public Accounts Committee, where Public Accounts will not be able to go very far with it, and that, to my mind, adds further suspicion and further fuel to suspicion in the public eye. When you refer something to a high-powered public accounts committee to examine, and they have the power and they can call on the expertise, but then because of impending, expected or imposing litigation, they come to a standstill, or the shutters go up because they cannot call evidence without legal opinion being with them and so on, they are fraught with difficulties in this area.

At the beginning of debate, I was not very *au fait* with the idea of a select committee but, having given it an awful lot of thought and having listened to what every hon. member has said so far, I have reluctantly had to concede that a select committee would be the right way to go, but I say it guardedly, because I think the last thing we want to do, especially for public perception. . . . And also, in order to get this clarified and cleared up in a proper, businesslike manner, I think we need impartial personalities on a select committee. So, I will support the establishment of a select committee. It needs to be properly examined. A select committee has no budget, but I believe it can also call upon some budgetary provision if expertise is required. I believe that is possible because, after all, a parliamentary select committee can also summons somebody if they do not want to give evidence to them. That is what the Act says, although it is very rarely exercised; usually a select committee will invite, but they have the power to summons. So, I will support a select committee. I am not getting embroiled in the personalities, hon. members, and I am not taking sides. I agree with the previous speaker; I believe that mistakes have been made on both sides, but my firm belief is that it could have been prevented at the very beginning, had it been dealt with in a statesmanlike fashion -

Mrs Hannan: What's that?

Mrs Cannell: – and I hope that that is how matters like this will be dealt with in future and that we will show our maturity. Thank you, Mr Deputy Speaker.

The Deputy Speaker: Thank you. Hon. member for East Douglas, Mr Braidwood.

Mr Braidwood: Thank you, Mr Deputy Speaker. In contrast to my hon. colleague from Douglas East, I will not be supporting the amendment for a select committee. I do believe we have been in danger today of widening the debate, and I do not want to get into procedures and the wheres and why nots of how we arrived at this report. We have a report and it is the

Speaker's report and he was requested – and I will repeat it – in line with standing order 49(3) 'to seek proof of the comments made by the hon. member for Onchan, Mr Karran, by way of supplementary questioning raised on 25th June 2002, under question 8 referred to in this hon. House on Tuesday 11th July 2002 and report to a special sitting of the House of Keys convened as soon as possible.' And that was to seek evidence for the supplementary questioning which was on a dishonoured cheque and also if the company which was building the new film studio was insolvent. I know Mr Karran is very passionate and his heart is in the right place, (*Interjections*) but sometimes his actions are misplaced, and I feel here, in looking at the evidence and even –

Mr Karran: Point of order, Mr Speaker. The situation is that I had to provide *prima facie* proof, and I did so. I do not like the House being misled by the hon. member.

The Deputy Speaker: Carry on, Mr Braidwood.

Mr Braidwood: I am not trying to put the House down another path, Mr Deputy Speaker. It said, 'to seek proof' and, in actual fact, the Speaker changed it to (*Interjections by Mr Karran*) *prima facie* proof, which is less onerous than proof in itself. The way I have been reading through the report and through Mr Karran's affidavit, which was under oath and by Miss Aalish Hannan, who is the advocate, in her presence, it is still third party and there is still no strict evidence there in the proof. So, I feel we are left with just a choice: either we receive this report or we reject it. And it is 5th November; there is no witch hunt against Mr Karran at all. We either receive this report or, as I said, reject it, and I personally believe that, because the evidence is not there, I will be supporting receiving Mr Speaker's report. But during the debate, there have been other allegations, when Mr Cannan was on his feet last week, which, I believe, the same as other members and the hon. member for Garff, Mr Rodan, should be referred to the Public Accounts Committee. They can summon witnesses, they can get the expertise in and they can get the advocates and the accountants to look at all the further allegations, but Mr Speaker's report was only on that supplementary questioning and to see if he had the evidence. (**A Member:** Hear, hear.) Thank you, Mr Deputy Speaker.

The Deputy Speaker: The hon. member for Ramsey, Mr Singer.

Mr Singer: Thank you, Mr Deputy Speaker. This motion was placed on the agenda by the hon. member for Michael, and the former speaker no doubt has his motives for making the speech that he did, but it was, in my opinion, not so much pointing out where errors may have taken place, but as I heard it, it was more an attack on the motives of Mr Speaker and his integrity,

and the attack on the Secretary of the House I think was particularly reprehensible.

The hon. House instructed Mr Speaker to carry out this investigation on the amendment proposed by the hon. tourism minister. It was not Mr Speaker's idea to do it – I do not think he probably wanted to do it – but, in fact, it was on the amendment by the hon. minister for tourism and was accepted by this House. Some may argue that there have been shortcomings in the way that Mr Speaker conducted the inquiry, but I believe that, in undertaking the job as instructed by this hon. House, he did as he saw fit, and I think he did it honestly and in all the circumstances perfectly reasonably. As I said, some members may not agree with the way that he conducted the inquiry, but I will state now that, whilst I have disagreed on many occasions with Mr Speaker in his former rôle at the DoT, I have never doubted his sincerity nor his integrity. (**A Member:** Hear, hear.)

I would agree that the Public Accounts Committee should investigate all the matters raised, including the allegations made, but I would like to see them do that as a priority, because I believe that the allegations against the film studio should be investigated so that all the names that should be cleared can be cleared as soon as possible. This was, of course, the intention behind asking Mr Speaker to investigate the allegations in the first place.

I have read through the response of the hon. member for Onchan, and there also appear to be gaps in that document. Assumptions appear to have been made by picking on and dissecting single words or phrases within Mr Speaker's report, as though the inquiry was held within a court of law. Mr Speaker is not a lawyer, nor were those who appeared before him being cross-examined. It was an investigation requested by this House to find out whether the hon. member for Onchan was able to justify certain allegations which he made during supplementary questions.

Mr Deputy Speaker, I have often thought of Mr Karran as the conscience of this House. He has been prepared to confront ministers and broach subjects which some persons would rather not be exposed, and I think that that approach without fear or favour has been appreciated not only by the hon. member's constituents but throughout the Island. But with that crusading approach comes responsibility and a need to assimilate and verify the facts so as not to harm the innocent. We must not let ourselves fall into the trap of believing we can abuse the privileges which are afforded to us as members of this hon. House by maligning and damaging those who cannot have the right of reply. We are all approached from time to time by persons with grievances against government, and we will take up their cases. We do have a responsibility to first corroborate the information to make sure that it is factual and that we are not being used. I am sure that the hon. member for Onchan, Mr Karran, will be the first to agree with those sentiments. I feel that the hon. member has been used

by persons with motives that are not to see the Island enjoying continued success, but rather to destroy its credibility by innuendo and false information. I believe there are shadowy figures who have hidden in their bunker and they have sent the hon. member for Onchan out into the jungle with a flame-thrower. Unfortunately, a flame-thrower is neither selective nor subtle and will destroy everything in its path, the enemy and the innocent alike, and lay waste to the environment. So, when those shadowy figures eventually emerge from their secret bunker, the jungle has been destroyed and they can walk away satisfied at the devastation they have caused. However, I do believe that the Minister for Trade and Industry has somewhat given us this afternoon an explanation that may well help us to understand what or who the target has been and why.

In the end, if these people have their way, in an Isle of Man context, we end up with businesses leaving the Island, we have no jobs, we have negative equity on housing, we have reduced social provision and we have no capital programme, and that is the aim of certain people – to produce instability in this society –

Mr Karran: That is not my aim at all

Mr Singer: – and that must be resisted. My particular concern at the moment is for the success of the film industry – and it is successful. I am sure the hon. member for Onchan would not mind me telling you that, in a conversation we had last week, he said he had no aim to destroy the film industry, and I believe him. Unfortunately, the untruths and false assumptions put forward by his advisers, and repeated, are aimed at doing that. The film industry is growing and is increasingly an important part of our diversified economy. We are always willing to tackle any matters which may be wrong, but we will strongly defend against false accusations and half stories and incorrect assumptions made by the Island's enemies.

There are many points in the response document from the hon. member for Onchan, and the allegations made by the former Speaker, to which I could respond, and I would be happy to speak to hon. members on an individual basis as a full response would take up a long time. However, I would like to take up a couple of points made in the accusations by the hon. former Speaker and the hon. member for Onchan in his response. Much play was made on the references made to Stonegate Properties, Stonegate Property, Stonegate Property 2000, Island Studios and even the Lough House group of companies. The simple fact is that the implication was that the film studio project was in financial trouble. The common factor linking the companies is known to be Mr Westacott, and I am assure that all the bills relating to the building of the film studio have been paid by Island Studios Limited, which was the company actually building the studio. No-one would disagree with a statement that the DHSS is building the new hospital, and Mr Karran was, of course, previously the member in the DHSS with

responsibility for that project, and I am sure that he would not argue that when Crow EPH became insolvent – it was they who were responsible for building the hospital – it followed that the DHSS were insolvent. In truth, Crow EPH cost the DHSS, and therefore the taxpayer, a lot of money (*Interjection by Mr Karran*) but, in the case of the film studio, there is no evidence that any company involved was insolvent at that time. We have heard today, from the evidence from the Minister for Trade and Industry, that the company which supplied the steelwork for the building did not go into receivership in July: this is just yet another example of the muck which desperate people behind these attacks are trying to rake up over this matter, as the allegation is completely untrue and, as we have heard, the company involved is still trading.

I would also refer to the allegations made about the DTI grant offer, during the last administration, to Island Studios Limited, towards the cost of their proposed building of a film studio in the north of the Island. The offer was 40 per cent on building costs, plant and equipment and came to a gross figure of £705,600 offered. The net amount payable, after deduction of administration fees, was £691,488. Far from being a high-risk grant, there is a mortgage debenture for the full amount in place, in favour of the DTI, for a period of 10 years from the date of the payment to the company of the final instalment of the secured sum. It is a first charge on the company's land, buildings, plant and machinery, fixtures and fittings, furniture, equipment, et cetera. There is also a floating charge on the undertaking, goodwill and all the other property, real and personal, both present and future, not subject to a fixed charge under this deed. It will probably interest all members that the government valuer, on 24th October of this year, estimated the capital value of the studios at somewhere in the region of £1,750,000. This does not include the valuation of the company's plant and equipment, which would add another £600,000 or so. So, in rough figures, the DTI has given a grant of £700,000 and has a first charge over buildings and equipment of £2,300,000. Any member of this hon. House, or those in the Legislative Council, was welcome to come in to the DTI to have this information which Mr Westacott said he was happy for them to have; unfortunately, Mr Deputy Speaker, the facts do sometimes interfere with an argument.

It is a responsibility of this hon. House to separate fact from fiction, to distinguish between truth and false allegation, to expose the incompetent while defending the innocent, and, finally, to protect this country from the enemy within. You cannot do this with force but with unbiased investigation and the willingness to expose those wishing to undermine and destroy the future of every citizen, both young and old. As I have said, I support a full investigation by the Public Accounts Committee of all the allegations, so that not only hon. members but also the public can be reassured that government support for the film studio project is

justified and that it was and remains a sound and sensible investment. Thank you, Mr Deputy Speaker.

The Deputy Speaker: Thank you. Hon. member for Middle, Mr Quayle.

Mr Quayle: Thank you, Mr Deputy Speaker. I believe this is a very sad day for us to be here considering this, as I quite evidently believe that there will be no winners today; in fact, we are all going to be losers. I do not think that it reflects very well upon our parliament or any member of the House of Keys, and certainly the vast amounts of time spent on the production of reports, responses and responses to responses is doing absolutely nothing for the benefit of the people of the Isle of Man or the economy.

When considering the Speaker's report and the response from the hon. member for Onchan, Mr Karran, it is a very difficult situation. In some of the issues considered, not all of the things are black and white; there may be grey areas and matters of subjectivity. We have already heard that when you ask legal opinion, it depends who you ask and perhaps what sort of answer you get from the different counsel. So, to be fair to both the Speaker and the hon. member for Onchan, I think those things need to be taken into account.

Page 23 of the response of Mr Karran mentions the role of the Counsel to the Speaker/Secretary of the House, and I think, as has already been said, that it is regrettable that the rôle of the Counsel to the Speaker and the Secretary has been called into question in this way. I have always found him to be very impartial and doing his level best to deal honestly with everything that is put to him. In particular, if we look at page 23, 10.9, it mentions 'And if the latter, and his advice was sought and taken by Mr Speaker, it is a matter of serious concern that the holder of an important parliamentary post can have made quite so many errors of fact, law and omissions on such an important matter. It is recommended that detailed consideration be given to the conduct of Counsel, to the Speaker and to the dual rôle of Counsel to the Speaker and Secretary of the House.' I think it is a very regrettable situation that the Clerk has obviously had to vacate his chair here today. To have his integrity called into question I think is most regrettable and one of the saddest aspects of this affair, particularly as I understand that the response is broadcast now on the internet and is there for everybody to see.

I cannot agree to support the amendment for it to be considered by a select committee of three members. I feel that would delay indefinitely a matter which ought to proceed and the various implications should be considered, and I would therefore support that the various issues be investigated fully by the Public Accounts Committee. I believe all of us who are here today will support that committee in its efforts to, once and for all, make sure that they are satisfied, on behalf of Tynwald, as to what has gone on within the film industry and the film studio.

I have to say, Mr Deputy Speaker, that I have become increasingly concerned at the way in which this whole issue really has come to be before us today. It does seem to be orchestrated by some people who, unfortunately, seem clearly determined to through allegations and counter-allegations around indiscriminately, not caring who or what is getting hurt as a result. I mention in particular, really, the film studio itself. The film industry is a fledgling industry for the Island. I believe it is successful, it is bringing a large amount of revenue for the Island, and I think we are souring its success by dwelling on the matters that are here before us today. The latest information from the hon. member for Onchan was distributed to us only yesterday and consisted of more attacks on the Speaker, urging us to reject his report for all sorts of reasons and suggesting that our parliamentary democracy is under threat. Personally, I do not think that any of us could subscribe to that; I really do think that is absolute nonsense. We are all here, we were elected last November, and I feel sure that the people of the Isle of Man will see that we are trying our level best to undertake our parliamentary duties in the name of the people of the Isle of Man and that there can be no way that parliamentary democracy is under threat when we are its custodians.

I am sure that we are all concerned to differentiate between right and wrong, and if we see injustice or wrongdoing, we want it brought into the open, but the reason why the hon. member for Onchan seems to think that democracy is under threat is because Mr Speaker has presumably had the audacity to suggest that he has not been able to come up with the evidence to substantiate the allegations he made in the Keys, (*Interjection by Mr Karran*) and which have caused so much concern. As I understand it, this is not surprising because, if one thing has become absolutely clear in all of this, it is that the allegation concerning it was incorrect; it seems that, first of all, the member for Onchan tried to say that, when he mentioned the company building the new film studio, he was not referring to the company which was actually building the studio, or if he was, it might have been a different studio. This then changed and there was an attempt to cloud the issue by referring to the removal of another of Mr Westacott's companies from the register, with an inference that this was the company he had referred to. When this turned out to be for administrative reasons which were nothing to do with being insolvent, we are now being asked to believe (*Interjection by Mr Karran*) that, all along, he was really talking about the sub-contractor who did the steelwork and that they had been in financial trouble, going into receivership shortly after he had raised this whole issue. The hon. member for West Douglas, Mr Downie, has already produced the evidence to correct what was told to us yesterday as being absolutely incorrect.

As far as I can see, the issues here are pretty straightforward; we asked Mr Speaker to find out whether the hon. member for Onchan, Mr Karran, could justify the allegations he made in the House of

Keys, and Mr Speaker found that Mr Karran could not provide that justification and has reported this to us. In spite of all the other issues that have been raised, accusations that have been made and misinformation which has been spread about, we really still have no proof of those allegations. I would say that every member has the right, in this House and the hon. Court of Tynwald, to ask probing questions, and I will defend everybody's right to do that, but with the immense power and privilege that any Member of the House of Keys or member of Tynwald has comes a huge amount of responsibility, and I believe that, in coming to this hon. House or Tynwald Court, we really do have a great responsibility to make sure that we are somewhat sure of our facts.

Mr Deputy Speaker, I conclude by saying that it is a very sad day for us all here today, and I wish we had not arrived at this particular situation. There does not seem to be an easy way out of the particular juncture that we have now arrived at, but I believe that hopefully, if we can resolve something one way or the other today, then we should be able to collectively work together for the benefit of the people of the Isle of Man and put aside the problems that seem to have beset us these last several months. I honestly believe the people of the Isle of Man expect no less, in that when they elected every individual Member of the House of Keys, they expected us to work for the interests of the Isle of Man and not work at attacking each other and causing such pain to all involved. Thank you.

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

Mr Corkill: Thank you Mr Deputy Speaker. I have listened with great interest to the debate, and we have veered around in a number of areas away from the original motion which the hon. member for Michael has put on our order paper, but I think, hon. members, I would just like to wind the clock back a little while to when all this started, because this whole process has been initiated as a result of a supplementary question to myself which sparked all this off. The original question that the hon. member, my colleague from Onchan, Mr Karran, put down was a fairly broad question originally. It was about procedures that are in place to monitor companies that are receiving grant support from government departments, and then part two of the question said – and this is in the Speaker's report – 'In the case of such recipient companies, what specific requirements are imposed regarding the notification to government of the company experiencing serious financial difficulties?' It was a broad, general question, and I covered that question on a broad, general basis, covering all sorts of areas from agriculture to tourism and, of course, the Department of Trade and Industry, because government is involved in a number of areas by giving grant support to industries that we, as

members, wish to see flourish on this Island, and they are driven by policy agreed by another place.

So, it was rather a shock when the first supplementary question that the hon. member Mr Karran produced was to do with the issues that, in fact, the Speaker has actually produced a report about. It was rather a shock: 'Is the Chief Minister aware that the police were recently called out to the new film studio because of an altercation over a dishonoured cheque?' and secondly, 'Has the Chief Minister been advised by the Minister for Trade and Industry if the company building the film studio is insolvent? If he has, when was he told that that was the case?' I replied – because I was quite surprised – and I said, 'Mr Speaker, I have not heard any of these allegations or comments before. I am quite happy to follow up on the suggestions that the hon. member has made to see what the issues are. I think it is unfortunate that this negativity is abroad when the film studio is just about, hopefully, to grow into something that the Island can be proud of. Nonetheless, the hon. member has made these comments and I will investigate what he has raised with me this morning. The hon. member could have raised it with me, of course, any time if he had so wished.' I said that last comment because the question, as placed, was fairly general in nature and gave no indication as to what the root question was going to be. In politics, Mr Deputy Speaker, when we answer questions, we know that the question paper on the order paper is very often slightly askew from what the hon. member is trying to land. Torpedoes come our way, but I think that the unfortunate thing about this torpedo is that it did not have my name on it – I am a politician and you expect that, we all expect that; it had the good name of Mr Westacott and the film studio on it, and it went straight through me and damaged the target, which was the film studio. I think it is very unfortunate that that happened, but nonetheless, if an hon. member raises such a concern in this place – or, yes, it was in the House of Keys – then obviously, as Chief Minister, I am dutybound to follow through that.

At that point, I have to say that I was not prepared, I suppose, for the impact that would happen, and we are bearing the brunt of all that now, because there are two issues in all of this. Firstly, I would like to deal with the issue of good name. I have mentioned the film studios and Mr Westacott and his position; there is also the credibility of the DTI and its support system and the staff and the members of the DTI. In fact, for anyone involved in this support, this grant – it had Treasury concurrence – it is their good name that is perhaps being questioned, so I think everyone who has spoken so far that I have heard – and that certainly includes me – would be more than happy for the mechanics of the DTI support to be scrutinised by the Public Accounts Committee. There is absolutely no problem in that, and there never has been. The Public Accounts Committee has a remit to randomly drop in on scenarios to do that, and hopefully executive government learns from the process. So, it is a straightforward situation for the Public Accounts

Committee to address if they as a committee, wish. The hon. member for Onchan, Mr Karran, is a member of that committee, and I was very pleased to cast my vote in favour of Mr Karran in another place for that committee, because I know he has a desire to scrutinise what government does. And I do not have a problem with that; I just want to make that clear.

The motion today is about the Speaker's report. The hon. member for West Douglas, Mr Downie, Minister for Trade and Industry, came forward with a motion for this House. He did tell people retrospectively, but I can understand what he has done, because he is defending the Department of Trade and Industry, he is defending the good names of a lot of people that I have mentioned and he saw that as a way of making the hon. member for Onchan, Mr Karran, substantiate what had been said. Whether we agree that that was a good thing or not is history. I was prepared to second that motion, and I did – I make no bones about that and I will restate it for the public record today – and that motion, Mr Deputy Speaker, was for a consultative committee of this House to look at the issue – not the Speaker on his own, but a committee – so I was rather interested that, in fact, the hon. member Mr Rimington moved this amendment for a select committee, which effectively winds us back right to the very beginning, which, in fact, is what the member for Douglas West was trying to achieve. The debate went on and the amendment was put forward by Mr Cretney, and I supported that, because it seemed that that was consensus of what was going on in the House as a way forward. I did feel sorry for Mr Speaker, knowing that it was all going to be on his shoulders, and so I am very disappointed, I have to say, about the documentation that has been circulated recently, which calls into question the integrity of our Speaker. I have known the member for Castletown, our Mr Speaker, since I came into this House, and I have observed him for many years. I have had disagreements, as other members have; he is a strong politician, and his integrity, in my book, is without doubt. I know that he will have done his best with the material that was provided to him by us. The amended resolution was put on his plate, and he has had to deal with it. I think that he has done his best, and I do believe that he has done a thorough job, as we focused on; which was the specific supplementary question to me. That is what he was focused on, he had no remit to widen out into other areas. It is not very long ago, it is really, that this House actually asked him to do that, and so I think it would be wrong to support the amendment, because that was where we started and the House moved on. I do think it would allow things to procrastinate. There is so much paper on all of this; I would dread to think that we are going to create more, because I do not believe that there is anything more to unravel. As I have said, the actual issue of the DTI's support will be an easy issue for Public Accounts Committee to scrutinise. Government does these all the time – this is not something that is unique – so the Public Accounts Committee is well placed to do that,

and I hope they do and I hope that they get a strong message from this House because, at the end of the day it is at their discretion as to what they pick up, I think, (*Interjection by Mr Karran*) so I hope they pick up on it. Mr Speaker has done a difficult job for us. I think the report is comprehensive in the time that was available, and I think that if it had been any more comprehensive, he would have strayed into areas that were not relevant.

The hon. member for Onchan, Mr Karran, said, 'This issue is not about Peter Karran', and I would agree. It is not about any one of us in this House; it is about the reputation of this parliament and it is about the reputation of private individuals in the community who do not have parliamentary privilege like we have. The challenge was thrown down to the hon. member, through Mr Downie's motion, to substantiate what he had said. There is a difference of opinion, even now, as to whether the hon. member has substantiated that or not. I know that in his heart he feels that he has to a level that is required, but the tenor of the debate I have heard in this place is that we, as members, perhaps still think the argument is wanting and that, in fact, comment has been made. Were the police called or were they not called? One would think that that is a fairly straightforward answer: yes or no. Was trading insolvent or not? Was there insolvency in the situation? These are straightforward issues if the root of them is dug out, and that has not happened, so I am still left with the impression that these are unsubstantiated comments. 'Allegations' may be the wrong word because, in my response to the honourable questioner at that time, I used the word 'comments'.

I hope hon. members will vote against the amendment. I was surprised when the hon. mover of this motion tabled it onto the order paper because, in effect, I thought the House had already received the Speaker's report. Okay, we had not debated it, but then we gave the Speaker a job, he presented it to us and we went away having received our copies from our Speaker. So I was surprised he moved the motion but, having put the motion down, which is to receive the report, which, in my own mind, I had already received anyway, I am happy to receive it a second time.

That is where I stand on all of this, Mr Deputy Speaker, and I think it is sorry that people's integrity is being called into question. Politics is a rough old game, as people say, but we have a duty to protect people who are not politicians. (A member: Hear, hear.) That is our rôle, and I think we have failed in all of this to protect individuals, and that is where I come from, as an elective representative for Onchan. I thank you, Mr Deputy Speaker.

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

Mrs Hannan: Thank you, Lhiass-loayreyder. I have just got one or two comments to make. I note the comments of the previous speaker, the Chief Minister, when he said what started this particular issue. I accept

from him that yes, by the question that was asked, he would have been taken by surprise, because it related to a particular company that had sought support from government, when the question was, in actual fact, quite general. I would have thought from that that no-one could have been expected to know the outcome when you ask a question in such a way and on such a generalised question.

However, following on from that, we did then have Mr Downie, the Minister for Trade and Industry, who sought to try to correct the issue which had been drawn to our attention by Mr Karran, and I think maybe in that issue other things could have happened without having to bring it to this particular House in the way that it did. It was put on the agenda, but it was an extra meeting of the House, and it did obviously open up a debate. As it is something that the House has not been through in the past, I think it did lead members to look to see what could be done to get us out of a particular hole that we were digging for ourselves, and I think the member for Douglas South, moving his amendment, was clearly trying to be helpful in selecting a way that the House could be helped to gain, I suppose you could say, some sort of time and allow the member for Onchan to get that information to the Speaker. That was accepted, and whether we look at *prima facie* proof or proof or whatever, I do not think the member for Onchan was helpful in following the wishes of this hon. House. The member for Onchan did produce a statement which was signed, but if you go to court and you present an affidavit or whatever, I would have thought. . . And it was not a court of law, I accept that, but it was the Speaker of the House –

Mr Karran: Trying to turn it into a court of law.

Mrs Hannan: – and I would have thought, to respect the Speaker, one would have at least been prepared to sit down with the Speaker and discuss the affidavit.

Also, from the report, I do think that it is very sad, not being prepared to discuss the report and not being happy with the report, obviously accepting that he was not going to be happy with the report, then producing a document which was not helpful to the House. It was not helpful to us coming to either receive this document or, indeed, looking on comments that obviously Mr Karran, the member for Onchan, had when this particular issue was raised again by Mr Cannan, the member for Michael. In these reports, we have had letters going backwards and forwards; we have had complaints that the Counsel to the Speaker did not have a fax machine. The opportunity was there to speak to the Speaker when the affidavit was presented, and Mr Karran was clearly there on a voluntary basis, because that is what he said at the time: ‘I am here under a voluntary basis.’ He freely went to that meeting with the affidavit but was not prepared to discuss it –

Mr Karran: I gave him the proof, that is why.

Mr Hannan: – and I hate to say this – Peter Karran is a friend of mine – but, in a way, it is contempt of the House, because it is what the House asked to be done. The House asked for Mr Speaker to investigate this (*Interjection by Mr Karran*) and it was helpful, and I do think that the amendment was being helpful. I do think that the attitude of questioning the Speaker and the Counsel to the Speaker and the Secretary of this House is to be deplored in the language that is in the report and today and in the speech to the House, and I do think it is a very sad state that we have got to.

We have had today two more letters placed before us, both dated 4th November, and it seems to me that we are doing everything by letter now, not by discussion. The reason for a parliament is to discuss – ‘parley’ is to talk – and we do not seem to be doing any of that these days; we seem to be getting letters and reports, and it seems to be, ‘I can write a thicker report than you can.’ That is not the way for us to be acting in this House, Lhiass-loayreyder, it is not the way at all, and I find it extremely regrettable that we have got to this stage with the aggressiveness of it and the way of people’s actions when everyone, I think, was trying to be as helpful as possible to have a question of doubt, one might say. As I said before, when we spoke about it last time, we do have people coming to us all the time with issues – maybe not in the same way as . . . and we maybe would not use it in the same way; they are not happy with how government or an official or somebody has dealt with it. We have set up, in the past, a procedure for individual members of the public, should they be dissatisfied with the administration, to complain. We have also set up other issues where complaints can be made, but that means that a dialogue has to take place, and I just think it is such a shame that we have got to this stage, Deputy Speaker, and I think, as has been said by maybe some people, that we have got ourselves into a bit of a twist on this. I would hope members will receive the report, and then we can get on with business. Thank you, Lhiass-loayreyder.

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

Mr Anderson: Thank you, Mr Deputy Speaker. I will be very brief. I am not going to repeat a lot of what has been said by hon. members in this debate; I would just like to follow on from my hon. colleague from Peel, the previous speaker, and just endorse what she has said. I believe the hon. Speaker and his Counsel have endeavoured to deliver a balanced report. Technically, it might not be what was expected by all in delivering its findings, but I believe that if hon. members do want further scrutiny, I would suggest the only way is to take those concerns to the Public Accounts Committee. I personally feel we should draw a line under the Speaker’s report and get

on with the job we have been elected to do. (**A Member:** Hear, hear.) We do have a responsibility to scrutinise and question, and long may that continue, but let us not go down this road any more than we need to. Mr Deputy Speaker, I believe we should work at building up our relationships in this chamber and not at pulling them apart. We are too small a community not to be able to forgive and put our energies in tomorrow and forget our yesterdays. Mr Deputy Speaker.

The Deputy Speaker: Perhaps I could now call upon the hon. member for Rushen, Mr Rimington, to reply on the amendment.

Mr Rimington: Thank you, Mr Deputy Speaker. I can see there is not overwhelming support for the amendment, and I worry not too much about that. I am concerned that possibly if, as you say, you draw a line at this point in time, you might leave a festering wound, and that is just a word of caution. The substantive issue, whether it was dealt with by whatever committee, can be done on the question of the studio, the properties and the different bodies involved. That itself is not an issue; it is the area that the hon. member for Onchan is concerned about, the procedures et cetera, and whether they have been applied correctly and so on. If my amendment fails – I have got a strong forecast that it might do – I do think you will have left yourself a problem which will continue and it may fester there, and it would leave me no option but to receive the report.

I think that might be the view of the majority of members, and that may leave things, in certain minds, unresolved.

However, in moving the amendment, Mr Deputy Speaker, I have achieved, by default, one aim, which has actually proved that no-one was whispering in my ear. (*Interjection and laughter*) I feel put down every time I stand up and say something in contrast to Mr Karran, that I am a stooge for the executive, and this happened to me in the last House when I was a new member. Every time I disagreed with him and voted with what might be the government line – and often I voted against the government line – I had someone whispering in my ear and I had been nobbled in the corridors. I would like to point out to the hon. member that I have got some integrity, and my good colleague from Rushen, Mr Gill, has also some integrity, and we are not stooges on anybody's behalf. If there are government issues and I have to obey collective responsibility, I accept that collective responsibility, but this is not one of those issues. Neither the Chief Minister nor anybody else has been whispering in my ear; it is a perfectly individual decision on my part. I am very pleased to have had the opportunity to set the record straight on that if nothing else, sir. Thank you.

The Deputy Speaker: Perhaps we can now call on the hon. member for Michael, Mr Cannan, to sum up.

Mr Cannan: Mr Deputy Speaker, first, before I respond to the debate, I would like to make a very brief personal statement. I wish to apologise unreservedly to Mr Cornwell-Kelly and withdraw the words 'that the Secretary' in line 2, page 14 of my notes regarding Mr Speaker's report. (**Several Members:** Hear, hear.)

Hon. members, before this House determines to have a select committee, let us briefly, carefully review the situation. On 25th June, Mr Karran asked certain questions regarding the film industry. Mr Downie, Minister for Trade and Industry, took exception to Mr Karran's comments. He placed a motion on the House of Keys agenda for 11th July to have a consultative committee investigate Mr Karran's comments. This motion was amended so that Mr Speaker investigated Mr Karran's comments. That is how we started. Like Mr Rodan, the hon. member sitting next to me, I did not support that proposition. I said to hon. members, 'The choice is yours: throw it out' – that is the motion – 'or vote for it. You vote for it, you get a full-blooded inquiry. You throw it out, then we will have all learnt our lesson.' We have all learnt our lesson this afternoon. Well, you voted for it – I did not, Mr Rodan did not and I think one or two others did not – and so you got a full-blooded inquiry. Let us have no complaints about that; it was clear at the start, and I advised the House, 'Vote for it and you have a full-blooded inquiry.'

Mr Speaker investigated Mr Karran's comments and reported to this House on 30th July. Mr Speaker's report stated, 'In conclusion, therefore, I am obliged to report to the House that *prima facie* proof of what was said by Mr Karran in his supplementary question to question 8 on 25th June 2002 has not been provided to me by the hon. member for Onchan, Mr Karran.' Mr Karran had no opportunity to respond to Mr Speaker's report as it was only placed on our desks at 10 a.m. that day, and to respond would have required suspension of standing orders. Fair enough. And then, the very next day, the hon. member for Douglas West, Mr Downie, goes on Manx Radio to say – and you will see it in the transcript and it is available at Manx Radio, and this is what Mr Downie said of Mr Karran publicly – 'Well, as far as I am concerned, it is quite clear; Mr Karran, on this occasion, has totally misled the House of Keys or Tynwald. He has told lies. He has made very, very malicious and damaging allegations which he has not been able to back up. Making wild allegations, which, as we have seen today, he cannot back up. So far as I am concerned, he could not produce the goods. Now he cannot put up, so I hope now he is going to shut up.' All that, hon. members, is in the transcript of the interview. Hon. members, what was Mr Karran to do in the face of all this personal abuse? What would any one of you have done? What would I have done in the face of that personal abuse over the radio that I was a liar? Would I roll over like a puppy dog and ask Mr Downie to tickle my tummy? Or would I fight back? Well, I will tell you what I would do if any hon. member went on the radio and said, 'It is all lies, lies,

lies that I tell'; I would fight back if my honour and integrity were at stake. So, Mr Karran did what any self-respecting member of the House would do: he prepared his defence, which he distributed to you last week. I am not going to comment on his defence; he has made his comments and he has produced his defence. The hon. Mr Speaker has produced his report and has commented on his report and Mr Karran's defence, and Mr Karran's defence has commented on Mr Speaker, and Mr Downie has commented on all three, and the two have commented on Mr Downie, but Mr Karran had the right, as you all gave approval bar one on 29th October, to respond, because a judgment was made against him.

As regards the business of the film studio, I wrote on 30th October to the Chairman of the Public Accounts Committee as follows: 'May I request that the Public Accounts Committee investigate all the circumstances surrounding the grant of £705,600 by the Department of Trade and Industry to the composite of the following companies: Island Studios, Stonegate Property Limited, Lough House Animation Limited, Lough House Limited, Lough House Media Limited, Stonegate Property 2000 Limited.' That letter has been acknowledged by the Secretary to the Public Accounts Committee, so a select committee, presumably, is already looking into the financial affairs of the grant, which was the subject of my response to Mr Speaker's report. Do we really need a select committee to look into the other matters raised by Mr Karran in his defence, by Mr Speaker in his report, by Mr Downie in his comments and by Mr Karran in all his letters which he has sent to us? I think not. As I have already stated, the matter of the grant to Island Studios and associated companies has now been referred to the Public Accounts Committee.

The other matter which must concern members is the status of the Speaker's report in the light of Mr Karran's response. Does this House wish to establish a select committee? You will have to engage expensive lawyers, have no doubt about that. Nobody in this hon. House, with respect to hon. members, I believe, will have the legal ability to challenge the report by Mr Speaker, which is advised to a certain extent by the Secretary of the House. The report by Mr Karran, which is obviously by his own legal advisers: do we want to go through a whole very expensive exercise of examining the report of the report to keep the whole thing rumbling? Do the Manx public want their tax money spent on expensive lawyers investigating Mr Downie's allegations, Mr Speaker's report and Mr Karran's response? Or would the Manx public prefer their money to be spent on housing, primary healthcare, education and all those matters that we were sent to look after? It is my contention that the Manx public want members to concentrate on the matters that affect the Manx public and to spend the money of their taxes for the benefit of the Manx public and do not really want this row to go on and on and on. Make no mistake: if you have a select committee, it will report and then there will be a

report on the report on the report and the machine will keep rolling. Better to, as I have already written to the Public Accounts Committee, ask the Public Accounts Committee to look into those matters that affect the public purse and public money regarding the film studios, and for the rest let the Speaker's report just be received, noted and put to the side. Mr Karran has had the opportunity to make his defence, and that was the object of my putting this motion before you, because I would do the same for any other member who had a report put down by the Speaker and wanted the right to reply. Everybody – and I am only repeating what I said to you last week when we pushed the motion to suspend standing orders – must have the right to justice and to defend his actions, and it is on that basis that Mr Karran has had the opportunity to defend his actions. Mr Speaker has had the opportunity to vacate the chair and justify his report. I think honour has basically been done. We now want to know from the Public Accounts Committee how the Department of Trade and Industry handled the whole matter of the film studios, which was the original basis of what this was all about. I will go back finally, hon. members, to what I said in this House on 11th July; if you start down this road and want inquiries, you will get inquiries. Think before you set these events in progress. So, hon. members, the motion before you is to forget the amendment, just have the report received or just vote against the motion. Thank you, Mr Deputy Speaker.

The Deputy Speaker: Dealing first with the amendment, and to make it absolutely clear, I will just read out the amendment, that is 'To delete the words 'be received' and substitute 'considered by a select committee of three members who shall take further evidence on the matters at issue and report.' That is the amendment. Those in favour please say aye; those against, say no. The noes have it.

A division was called for and voting resulted as follows:

For: Mr Rimington, Mr Gill, Mr Houghton, Mrs Cannell and the Deputy Speaker – 5

Against: Mr Anderson, Mr Cannan, Mr Rodan, Mr Quayle, Mr Henderson, Mr Cretney, Mr Braidwood, Mr Downie, Mr Shimmin, Mrs Hannan, Mr Bell, Mr Singer, Mr Karran, Mr Corkill, Mr Earnshaw and Mr Speaker Brown – 16

The Deputy Speaker: The amendment fails to carry, 5 votes being cast for and 16 votes against.

We can now turn to the substantive motion, which, of course, is the motion at item 3 on our order paper: 'That the report by Mr Speaker pursuant to the resolution of the House of 11th July 2002 be received.' Those in favour please say aye; those against say no.

A division was called for and voting resulted as follows:

For: Mr Anderson, Mr Rodan, Mr Quayle, Mr Rimington, Mr Gill, Mr Houghton, Mr Henderson, Mr Braidwood, Mr Downie, Mr Shimmin, Mrs Hannan, Mr Bell, Mr Singer, Mr Corkill, Mr Earnshaw and Mr Speaker Brown
– 16

Against: Mr Cannan, Mr Cretney, Mrs Cannell, Mr Karran and the Deputy Speaker – 5

The Deputy Speaker: If I could invite Mr Speaker to return to the chair. (*Interjection*) Oh, I beg your pardon. (*Laughter*) I thought it was fairly clear. (*Laughter*) The substantive motion carries, with 16 votes being cast for and 5 votes against. Perhaps now I can invite Mr Speaker to return to the chair.

The Speaker again took the chair.

A Bill Respecting the Conduct of Members and Officers of Tynwald, Government Departments and Statutory Boards and Bodies, and Advisers or Consultants thereto, in Relation to Conflicts of Interest – Leave to Introduce Granted

Item 4. The hon. member for Onchan (Mr Karran) to move:

That leave be given to introduce a Bill respecting the conduct of members and officers of Tynwald, government departments and statutory boards and bodies, and advisers or consultants thereto, in relation to conflicts of interest and connected matters.

The Speaker: I call on the hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I wish to move this leave to introduce a conflicts of interest Bill. There are many advantages to living on a small Island, but there are also many disadvantages. One of the disadvantages is that there is a very small distance between those who take the decisions and those who are affected by them. It is too easy for conflicts of interest to arise, but it is also too easy for conflicts of interest to *appear* to arise. It is a sad truth that the Island might come top in the league for the initiatives on recycling of glass but bottom of the league on the legislation for the prevention of conflicts of interest. Legislation preventing conflicts of interest exists in many democracies around the world; in fact, we are being shamed by jurisdictions whose democracies are far younger than ours here. Up to now, we have failed to enact comprehensive conflicts of interest legislation and rules of procedures. This has allowed some quite

scandalous situations to arise and continue to be unchecked. This then rots the public life and rots confidence in the political process. It is a key reason why many voters stay at home. Not for nothing, hon. members, has the Isle of Man been called one of the wettest banana republics in the West.

Mr Singer and Another Member: Who said that?

Mr Karran: There is therefore a serious and urgent need to introduce conflicts of interest legislation. Vainstyr Loayreyder, trying to prevent the conflicts of interest legislation would be the wrong thing to do in this hon. House today. I want Tynwald and government to clean up its act and for its business to be thorough and above board and for it to be generally free from suspicion of abuse. In short, I want the public to be able to respect our institutions. I want the public to have the confidence that administrative decisions are like Caesar's wife – beyond reproach – but ask the average man outside this chamber and they will tell you the opposite. I am sorry to say that one of the most frequent comments I hear from my constituents is just, 'They all help themselves and their cronies.' We must increase confidence in our system of government. We must ensure that it is neither tainted nor can appear to be tainted. In fact, this must be a cultural change on the Island in how we perceive conflicts of interest. This is all the more important on the Isle of Man, where we lack many of the democratic checks and balances, such as an official opposition, an investigative media and an audit commission.

Hon. members, conflicts of interest have to stop. Several examples will illustrate the urgent need for legislation; all have the capacity to bring this Island into disrepute, and all are quite recent. We could start with examples of conflicts of interest at ministerial level. It is fundamentally wrong that a minister has responsibility for planning at the same time as being chairman of a company that is making multiple planning applications. It was also fundamentally wrong that a minister with responsibility for trade and industry served at the same time as a director of a bank. It was also fundamentally wrong that two recent former ministers served as directors of companies from which they had recent inside information which may have been commercially valuable. Hon. members, there are three examples of ministers' conflicts of interest, and we all know more, and perhaps more serious, cases. In addition, there are many examples of civil servants' conflicts of interest. It was fundamentally wrong for a former waste management officer who, I understood, supervised the key waste management project for the DLGE then to work as a consultant for the commercial operators of this project. It is fundamentally wrong that the wife of a civil servant responsible for commissioning substantial amounts of equipment for government serves as a director of a sister company to the company with the supply contract. It is fundamentally wrong for a

planning officer working for the DLGE to change jobs and within less than a month go and work for a well-known major construction company making multiple planning applications. There are also examples of officers of statutory boards. There is the example of a former head of the FSC who went through the revolving door, almost straight away, to work as a director of a bank which he had been involved in regulating. And there is the example of the former director of the Communications Commission who, when retired, became a director of an internet service provider company to which the commission had recently awarded a licence.

Hon. members, I for one pass no judgment as to the integrity of the individuals concerned. This is not a matter of integrity but one of perception and one of potential for mischief. The impression has been created that those individuals, where there are many who have been with conflicts, should not be in the position to be able to be tainted, or be proposed to be tainted, by their positions. Worse still, I am aware of some examples of conflicts of interest that have been brought to the attention of the relevant ministers, but no action was apparently ever taken, not even an acknowledgement.

So, the conflicts of interest that exist on the Island are numerous and all-pervasive. Some are innocent but some are not, and we need this conflicts of interest Bill to set the appropriate standards. So what does a Bill aim to do? Firstly, it defines to whom the legislation should apply. At present, it is framed in terms of members, officers of Tynwald, government departments, statutory boards, boards, advisers and consultants thereto. In doing so, it is intended to extend it to the whole of our government and parliament. However, it may be that members wish to extend this Bill to cover local authorities too. There is some logic in doing so.

Secondly, its aim is to define what is a conflict of interest. The member or officer of Tynwald or government has a conflict of interest when he or she makes a decision or has the possibility of making a decision in the execution of his or her office at the same time or suspects that, in making that decision, there is an opportunity to further his or her private interests or the family private interests or the private interests of an associate. It will also define the relevant categories, including, for example, inside information, influence, activities conducted on behalf of the public, accepting benefits such as gifts, rules for former Tynwald and government members and officers, and rules preventing participation in government contracts.

Thirdly, its aim is to set out the procedures to prevent conflicts of interest from arising, including full mandatory disclosures of all relevant matters. However, if conflicts of interest do arise, it sets out the procedure for how to disclose them and how to ensure the integrity of the decision-making process.

Fourthly, it will appoint a conflicts of interest commissioner. The commissioner's main rôle will be to assist members of government, civil servants and so on to understand their obligations under the conflicts

of interest legislation. He or she will also assist them by identifying areas of possible conflict and advising them on how to prevent such conflicts from arising and how best to resolve existing conflicts of interest. The commissioner will also have the powers to investigate any complaints as to the conflicts of interest. There will also be enforcement with appropriate enforcement powers. In most cases, the appropriate remedy will be for a compliance for the individual to divest himself or herself of one of the conflicting interests. However, in certain situations, if such action is not taken, further steps may need to be taken as seen to be necessary. This could include reprimands, fines, suspensions and, ultimately, dismissal. In addition, the commissioner will also need to examine and recommend whether a decision which has been tainted by a conflict of interest should be taken again or revisited in some way. Vainstyr Loayreyder, the rôle of the commissioner will be vital to the securing of the success of this legislation. The individuals must have the appropriate regulatory and enforcement experience. Ideally, this will be in the judicial sector, in my opinion. I believe that, in other jurisdictions, they have similar legislation; in fact, I have copies of some from Canada. We must also give the commissioner adequate resources to do the job. This is a vital job and deserves a dedicated officer with the supporting secretarial and relevant powers. For the relatively modest outlay, the commissioner may even be able to save taxpayers substantial sums of money by preventing some of the rip-offs that we all know occur. To ensure the rigorous degree of independence from the government, it would be proposed in my legislation that the commissioner would report to the President and to the First Deemster.

Finally, this Bill will enable amendments to the relevant legislation and codes of conduct, for example for ministers and civil servants. The aim would be to join up legislation and rules of procedures so that the rules would apply fairly across the board.

Hon. members, it is only the most dishonourable in this hon. House and those featherbedders who have any remote concerns over this legislation, which would be drafted on similar lines and similar laws to what we see in other jurisdictions. I trust that this Bill will command support around this House. Mr Speaker, such support would be warmly welcomed by people outside. Indeed, the Edwards review in 1998 recommended that rules of conduct on good practice should include the obligations that members should not only declare their interests but also withdraw from meetings when they have a financial interest where a matter is under discussion. It is said that it should also be the presumption that members should not accept directorships or other paid positions when they might be reasonably perceived to have been offered such a position only for the fact of their public office. Finally, it is said that there should be a general presumption against accepting and retaining directorships of companies, especially financial institutions, directly involved or affected by ministers of parliamentary

committees on which they serve or have recently served. This Bill will not in itself entirely wipe out the foul smell that many perceive in the administration of this Island, but it will be a very valuable start. Conflicts of interest in public life demean the whole political process. Let us make a real start in stamping it out. I beg to move that leave be granted to introduce this piece of legislation.

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

Mr Gill: Yes, thank you, Vainstyr Loayreyder. I beg to second the proposal as on the order paper. In doing so, I would make it clear that I am supporting the principle that underpins this, as I understand it, rather than the specific examples or points which the hon. mover has just listed at great length, of which I would say, to coin a phrase, that nobody had whispered in my ear in advance. I know I am not alone in wanting transparent government, and I would be very surprised if anybody spoke against that principle. For myself, I would welcome an ombudsman system, but that might be for another day. In the meantime, I do support the hon. member for Onchan in his wish to introduce this Bill as proposed, and I beg to second.

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

Mr Corkill: Thank you, Mr Speaker. I am sure, as the previous two speakers have said, that we can all be as one with the hon. member's intent for seeking to ensure that we have the highest standards of probity and honesty in public life. I am sure none of us – I certainly hope none of us – will have any difficulty with ensuring that our legislation and operating rules and procedures underpin that, but may I say as an aside, Mr Speaker, that I take pride in the integrity and honesty that prevails within the government machinery. The hon. mover has used the words 'foul smell has to be stamped out', and it does not feel good when an hon. member says that, because I do not come across this type of situation. The hon. member has used that as a justification for this leave to introduce but, having said that, I would just like to say I do take pride in the integrity and honesty that prevails within the government machinery, and I believe that the record bears scrutiny and does reflect well on all of those at political and officer level who oversee government's projects and services. It follows from what I have said that I am prepared to be fully supportive of any additional measures that are identified which can be shown to be an improvement on what we have or which will plug any loophole in what we have. I think where I part company with the mover a little bit is perhaps in his analysis of the need for additional legislation. I have heard what he has had to say. I have not been convinced with the statements made today but, as hon. members in this House, we all know right from wrong. Professional officers and professional consultants know right from wrong. We

do have a Corruption Act, which outlaws bribes and inducements, and it dates from 1986, so it is 16 years old and maybe it could be modernised, particularly if deficiencies are identified. But we also have financial regulations issued by the Treasury, we have the notes for ministers which set out guidance on conduct and accountability we have the Register of Members' Interests to provide openness, and we have the civil service rules. All these exist now. Mr Speaker, they have all been put together with good intent, and I believe they have not yet been shown to be wanting. We do not have a history of corruption or dishonesty in public life which provides an imperative for this new action. So, I ask the hon. member: what is the basis for proposing new legislation? Mr Speaker, if it can be demonstrated that there is a need to do more to give people outside the confidence to believe that government business on the Island is transacted honestly and with integrity, I will be the first to vote for whatever it takes. If specific deficiencies or omissions can be shown in our legislation and procedures, I will be the first to vote for changes, but I am not prepared to accept at face value, as a justification for new legislation, the hon. member's statements that he has just made.

Can I say that when the government proposes legislation, it is on the basis of careful research and analysis, which involves either a report or a detailed presentation of the facts and the options to members. Hon. members moving a private member's Bill, in this case, I think, perhaps should be prepared to do the same. Mr Speaker, I have an amendment in my name which effectively, if it could be circulated, follows the thread of what I am saying, because we have heard some rhetoric, so what I would like to see is the situation analysed. I hope the mover would want that – an analysis of the situation. Are there real deficiencies? If so, what are they and where are they? And do they need legislative change or do they need something else? As I have mentioned before, not all of it is covered in legislation. So, Mr Speaker, if the hon. member has a case, it should be possible for him to set that down and bring it back to a future meeting of the House. I have no doubt that if he does that and can identify a set of measures which would bring about improvements, he will have the wholehearted support of the House. That is simply what my amendment asks the hon. mover to do, Mr Speaker, and I hope members, including the mover, will see the merit in the proposal, that is to analyse the situation and to bring a report as part of the leave to introduce for this legislation. I beg to move, Mr Speaker:

That the following words be added at the end –

'subject to the hon. member for Onchan presenting a paper to the House for approval setting out the specific deficiencies that presently exist.'

The Speaker: Hon. member for Ayre, Mr Quine.

Mr Quine: Thank you, Mr Speaker. I do not readily recognise the sort of parliamentary and governmental life and activity that my good friend from Onchan, Mr Karran, has spoken of, but I have been around long enough to realise that that does not mean that such activities could not, on occasions, take place. I am not so naïve as to think that that could be the situation. I also believe that he has a problem in the sense that he will get feedback, as we all get feedback, from different parties. What substance there is in a lot of that feedback is highly questionable. So, I have those reservations which I harbour, but I also see that there is a question mark over whether there is adequate deterrent and adequate control for a whole range of matters such as he has referred to. But there are one or two matters that I would question.

First of all – perhaps he can help me with this – I see this as being part of the overall system – I am talking now from a government and parliamentary point of view – of checks and balances, part of that equation, whether they are adequate or whether they are not adequate. To my mind, they are not adequate, but how the proposals that the hon. member has in mind would interface with that I am not quite sure. We have, for example, I think, a report due very shortly on an ombudsman system and, because we do not know what is proposed there, I am not sure what the recommendation will be in relation to an ombudsman and, if we are to have one, how that would fit into this scenario. I simply do not know.

And I think also there is the question of what we have and how adequately we are policing that. I am not talking now just about law, whether it be primary or secondary, but, as the hon. member for Onchan, the Chief Minister, has said, there are regulations coming from various sources, financial regulations and all the rest of it. How well are they being policed? I know from a spin-off from some of our PAC investigations that it is a fact that, not for any wicked or ill intent, some financial regulations, for example, and guidance notes are honoured in the breach, and if you honour regulations in the breach, then there must be opportunity for abuse. There must be some scope for things to go wrong; even if they are well motivated, that scope must be there.

The other question which he raised, albeit in a rhetorical form, is this matter about whether what we are trying to focus on should be limited to parliament and national government or should embrace local government. I would have thought that self-evidently it should embrace all government, but that is a matter which could be looked at separately.

But the problem that we are up against at the moment is that we have not got a clear picture of what we have got, the adequacy and the inadequacy of that, and sequentially, moving on from that, what we need to try to strengthen that. We have not got that. I am sure that, given the time, the hon. member will seek to make that case, because I am sure again that there is a case to be made, but also how it fits into the checks and balances which are so vitally important to

parliament and to government, because it is part of that. Most of these opportunities spin out of the business plan, the business activities, whether they be conducted through a parliamentary level or through a department level. I certainly would not vote against this motion, because I believe there is a case to be examined here. On the other hand, I know what the Chief Minister is suggesting; I have got his amendment before us here -

The Speaker: Could I remind you, hon. member, that the amendment has not actually been seconded.

Mr Quine: I beg your pardon – it has not been seconded?

The Speaker: It has not been seconded.

Mr Quine: I am inclined to second that, which really is just – *(Laughter)*

Mr Corkill: So that you can talk about it.

Mr Quine: It is a rare occasion –

The Speaker: Is that inclination definite?

Mr Quine: I do not want to get into the habit, but I will second it, sir, on this occasion, yes, because I think it does give the hon. member for Onchan an opportunity to get that further and better information which he needs to make his case. If there is a case there, I think it needs to be made better than it has been at the moment, but I certainly would not want to vote against what he is proposing, because I think there is something there, sir. So, I would be pleased to vote for this amendment, which would allow the hon. member to get further and better particulars and come back to us with his case. I would be very surprised indeed, if the homework is done and done properly, if he has not got a case for amending legislation in one form or another. Thank you, sir.

The Speaker: Hon member for Garff, Mr Rodan.

Mr Rodan: Yes, thank you, Mr Speaker. I rise to support the amendment. In all cases of hon. members who seek leave to introduce, as I have stated before, I like to apply the test, which is: am I persuaded that there is a deficiency in law such as to warrant the introduction of a new piece of legislation? That is the test that should be applied and, on this occasion, the hon. mover has not persuaded me that there is a deficiency in law. He has referred to the issue and he has alleged examples of conflict of interest in his view. My understanding is that there do exist codes of practice. There certainly exists a register of members' interests. When one talks about conflicts of interest, it is perhaps as well to understand what we mean by that because, when an interest is declared, will there still necessarily be a conflict? It depends whether one

becomes party to a particular decision, I suppose, or not. So, I think it would be very helpful as government departments seek to be helpful, to members of this House, when new legislation is introduced that, in fact, a presentation is made to members and they are invited along to hear the case for the merits of legislation. This amendment is not even going that far, although I would have, myself, gone further and made the actual amendment have some obligation on the mover to organise a presentation so that we may hear what the deficiencies are that warrant new law as opposed to the workings of existing codes of practice. Nonetheless, this amendment does go some way to, I think, extend to us the courtesy of knowing what the deficiencies are currently that the hon. member would seek to overcome by new legislation.

As a matter of good order as well, Mr Speaker, I will, of course, be guided by you, but this debate could have happened last week. It could have happened the week before, but it did not, because the hon. mover withdrew from the order paper of that day, as advised by yourself. It might have been helpful, perhaps, as a courtesy to members of the House, to know from the hon. member why this was, either by letter in advance or perhaps he will yet do that in his winding-up. The reason I say this is not to try and make some clever point, but it might well have been that hon. members of the House had actually gone to some lengths to prepare for a debate that day which, in fact, never took place. Thank you, Mr Speaker.

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

Mrs Hannan: Thank you, Vainstyr Loayreyder. I am slightly alarmed, really. Normally, we either say yes or no to members introducing legislation; we do not ask for the reasons and we do not ask for them to suddenly become arms of government. I look at this piece of legislation: the member for Onchan is seeking to be given leave to introduce a Bill respecting the conduct of members, officers of Tynwald, government departments, statutory boards and bodies and advisers and consultants thereto in relation to conflicts of interest and connected matters. I do not think we should be looking for specific deficiencies or whatever. I think this could be just a code of conduct, in legislative terms, which relates to how we act with regard to each other, to government responsibilities, to statutory responsibilities and the rest of it, and either we support leave to introduce or we do not. (**Mr Karran:** Hear, hear.) That is how I see it. Surely the legislation that would come through would be something that we could either support or reject with deficiencies or the like in but, without getting into some big deal about it, I would have thought we could say, 'Yes, members of Tynwald should have codes of conduct on how to act, to know what to refer to and the standards that we have. 'Government departments, statutory boards and bodies, advisers and consultants should also know that if they are working for

government, we expect a particular code of conduct that is set down specifically in legislation, and I would have thought that if government is going to do this and lead on it, then let government do it and lead on it, (**A Member:** Hear, hear.) but if not, let us give the member the responsibility to see if he can put it together, and then it is up to us whether we accept or reject it at the next sitting. I would have thought, by what he has said to us today, that we should actually give him leave to introduce and let him go and get on with it and come back and see if it is something that we can support, instead of looking for specific deficiencies that presently exist. What we should be is open, above board and prepared to accept some sort of control and a code of conduct for us to act under. Thank you, Vainstyr Loayreyder.

The Speaker: Hon. member for Douglas West, Mr Downie.

Mr Downie: Thank you, Mr Speaker. I rise to support the amendment that has been moved by the Chief Minister. I think the hon. member Mr Karran, when he was making his case to seek leave to introduce, did not give us any proper examples of where the present system is not working and, from the length of his delivery and his speech and the content, this is going to be some Bill. This could well have hundreds and hundreds of clauses.

The other issue I would like him to clarify for me is that he stated that the Isle of Man was referred to as 'the wettest banana republic in the West'. I think that needs to be clarified. 'Tynwald and government need to clean up their act': there again, I think we should have reference. I have no problem with a code of conduct. I have no problem with putting my interests in the members' interests book or the register. In fact, I was ridiculed in the newspaper recently because I put in the declaration of members' interests book a gift that my wife was given from Strix, which was an electric kettle. (*Interjections*) So, I have no problem dealing with that side of things. It does work. But when you start to try and cut people out of the equation, what you have to realise, hon. members, is that between 10 and 15 per cent of the indigenous population in this Island are related to each other, and you know how difficult that can be when you are starting to look at various committees and when you are dealing with planning issues. There is a whole host of areas, I think, that would give us problems. We do not really have enough people to serve on committees, to represent local authorities, without there being a whole range of potential conflicts, so I think what we have to do is try and have a system that is as transparent as possible. But the public are the best judge of that. The public will not be kidded and, as far as I am concerned, they really are the best judge. There are so many checks and balances in the system now; you have only got to look at the Manxman website. If you want to read what some people think is going on in the Isle of Man, I must congratulate the hon.

member for Onchan, Mr Karran; he has now launched his own website. Brilliant. I just hope he is registered for data protection with the registrar, because he is in the big league now, and this is what it is all about.

I take the view that the Chief Minister and one or two others have: 'Let us find out the deficiencies in the present system without embarking on a great, long, lengthy Bill which we may be lifting from some other country – who knows where. Let us see what problems exist, and then we can come back and the hon. member can make his case. And then, if he convinces us, we can give leave for it to be introduced. Simple as that.

The Speaker: Hon. member Mr Corkill to reply to the amendment.

Mr Corkill: Mr Speaker, I would just like to draw members' attention to the fact that it has got the wrong date on the top of the paper. In fact, my amendment should have 5th November on it. It was prepared a week ago and I prepared another one which does not seem to have come through the system.

I think the point I was trying to make with the amendment has been followed up by one or two speakers. It is easy, I think, to just say, 'Well, yes, leave to introduce' and then we do not give it another thought, perhaps, until the Bill comes back, and the message behind the amendment really was to say, 'Well, let us have a case in some sort of report.' The hon. member had quite a lengthy introduction for his leave to introduce, so I would hope that he would be able to produce that fairly quickly. I think my concerns really are how it interfaces with the various codes that we have – other speakers have raised that – and how it interfaces with the current legislation – I mentioned the Corruption Act. That sort of information, I think, would be helpful to hon. members if it came along with, as it were, the leave to introduce, and that, I hope, is the message I have got across. If we can improve standards in public life, then I will be all for it. It is how we go about that that we are discussing today, and I would ask hon. members to support the amendment as a reasonable way forward.

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

Mr Karran: Vainstyr Loayreyder, as I said in my opening remarks, we can start with examples of conflicts of interest at ministerial level. It is fundamentally wrong that a minister with responsibility for planning served at the same time as chairman of a company which made multiple planning applications. It is also fundamentally wrong that a minister with responsibility for trade and industry served at the same time as a director of a bank. It is fundamentally wrong that two recent ministers served as directors of companies for which recent inside information may have been commercially valuable. Hon. members, these are just three examples of what I think are conflicts of interest, and I believe that my

legislation will have to deal with that. I am sure there are much more serious ones. I went on to examples as far as civil servants are concerned. It is fundamentally wrong that a former waste management officer who I understood supervised the key waste management project for the DLGE then goes to work as a consultant for the commercial operation of this project. It is fundamentally wrong that the wife of a civil servant responsible for commissioning substantial amounts of equipment for government serves as a director of a sister company to the company which is the supplier of the contract. It is fundamentally wrong for a planning officer working for the DLGE to change jobs and within less than a month go and work for a well-known major construction company making multiple planning applications. We take statutory boards. An example is a former member of the FSC who went through a revolving door straight away to work as a director of a bank which he had been involved in regulating. For example, there is the former director of the Communications Commission. I will not go into their close family and things like that but just themselves, where the director becomes a director of an internet service provider company to which the commission had recently awarded a licence.

I am not saying and I am not judging, but these are the sorts of things which sour the taste in the mouth of the man in the street. That is the sort of thing. I thought I had given ample. As for this Mickey-Mouse procedure which I have never heard of before, I have never heard of anybody having to go through this hoop, and it just highlights what I have said before: there are some obviously more equal than others in this hon. House, and if people outside this House need any proof, that is it. We all know one of the best places to get, as a member of a department, is the Treasury, because it is always the best place to end up with directorships at a later date. We all know that. That is the position of how it is as far as government is concerned.

I say to Mr Rodan, because I have to be fair, that I have been quite impressed by his input on many of these things, but I think that if he has not got the guts to vote for my proposal, have the honesty with the people outside and vote against. And I do hope that the Deputy Speaker will do the same, because I will wait my six-month period before I will go through this nonsense. This is another new procedure; you have done it with the last thing, where you needed *prima facie* proof and then you wanted something higher. Now you are wanting . . . The situation with this proposal is that it is a new proposal. I can never remember anybody having to do this before. If the hon. Chief Minister has something to be worried about and frightened about (*Interjection*), then fair enough, vote against the legislation, but be honest with the people outside this hon. House. (*Interjection by Mr Corkill*) As I say, be honest as far as that is concerned. We know what the procedure is. Every member gets leave to introduce a Bill. Then what happens is that that Bill comes to this hon. House, and if people do not agree

with what is in that Bill, they send it to a committee. That is the way it has always worked in this hon. House. It is very strange we have got this new . . . Is it because it might be hitting a few too many nerve ends? But we have not got the political courage to say, 'No, I will not vote for this proposal; I will send this off', and we have seen the problems we have had with threats of litigation and the way things have been deteriorating within this hon. House. I hope this hon. House will have the honesty and not support this cynical attempt to subvert the parliamentary process in this hon. House. If it has not got the guts to vote for this legislation, at least have the integrity to vote against leave to introduce. This nonsense is not acceptable, in my opinion. Whatever this hon. House decides to do is up to them, but this is the most strange procedure that I have come across as far as being able to have . . . You either have leave to introduce or you do not have leave to introduce. Now we are trying to bring in a new procedure.

Vainstyr Loayreyder, I think the points that I have raised in this House are valid points to show there is a need for a conflicts of interest Bill. As I have said in the end of my thing, only the dishonourable or members who want a feather bed have anything to be afraid of from this piece of legislation. I get annoyed because I just sometimes wonder about the statements that are made in this House; somehow I just wish people would talk more frankly and openly. I believe they must do, because with most of the comments that I have made in this thing, I could have reported a lot worse, but I believe in trying to make sure that this House gets on with the job of keeping the executive in check. What I believe is that if this amendment is allowed, then it is just circumventing the parliamentary due process. That is what is happening, and you are bringing in new rules and you are having new standards for different members of this House. You have already proved it once and you are now trying to prove it over this, but I can assure you, Vainstyr Loayreyder, that I will wait six months before I will do any other way of dealing with this situation. If this House wants to be honest with the people, then either vote for leave to introduce or vote against, because I will wait for six months, and in six months' time I will come back to this hon. House without any fear of any spurious litigation which I keep on getting threatened with. It might work on members outside this hon. House, and unfortunately, if I am under threat, they have got no chance. Outside this hon. House, if leave is not -

The Speaker: Hon. member, could I ask you, please, to concentrate on your leave to introduce. I think you have made the point on about three or four occasions.

Mr Henderson: Five hundred times.

Mr Karran: Vainstyr Loayreyder, this House has one decision: either give leave to introduce or not, but

do not start these new Mickey-Mouse procedures that I have never seen before – I can never remember – because what will happen is that when they fall out of favour, they will be used against you.

The Speaker: Hon. members, before I put the motion, may I make a number of points very clear in relation to the comments made by the hon. member for Onchan, Mr Karran. First of all, the amendment before us is not a new procedure. Any motion can have an amendment put forward. Whether or not that amendment is successful is up to the members of this House by a majority vote. If members support an amendment, that does not introduce a new procedure. Procedures of this House are only included in our standing orders; in no other way are they included. So, I just want to make that absolutely clear to hon. members. This is a pure amendment to the main motion.

I now put forward leave to introduce in the name of the hon. member for Onchan, Mr Karran. To that we have an amendment in the name of the Chief Minister.

All those in favour of the amendment please say aye; against, no. The ayes have it.

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

In the Keys:

For: Mr Rodan, Mr Rimington, Mr Braidwood, Mr Downie, Mr Bell, Mr Corkill and Mr Earnshaw – 7

Against: Mr Anderson, Mr Cannan, Mr Quine, Mr Quayle, Mr Gill, Mr Houghton, Mr Henderson, Mrs Cannell, Mrs Hannan, Mr Singer, Mr Karran and the Speaker – 12

The Speaker: Hon. members, the amendment fails with 7 votes cast in favour and 12 votes against.

I now put the motion in the name of the hon. member Mr Karran that leave be given to introduce a Bill respecting the conduct of members and officers of Tynwald, government departments and statutory boards and bodies, and advisers or consultants thereto, in relation to conflicts of interest and connected matters. All those in favour say aye, against, no. The ayes have it. The ayes have it.

Procedural

The Speaker: Hon. members, I am advised that the mover of the Bill for third reading, the Matrimonial Proceedings Bill, has asked not to proceed with that today, which I am sure, at this time, you will be pleased to know. (**Mr Houghton:** Hear, hear.) The hon. member, I understand, is hoping to come back at

the next sitting with it for third reading. Therefore, hon. members, that completes the business on the order paper. The House will now stand adjourned until Tuesday, 12th November at 10.00 a.m. in our own chamber.

The House adjourned at 5.20 p.m.